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THESIS

STANDARDIZATION OF MANAGEMENT CONTROL/
FINANCIAL MANAGEMENT SYSTEMS UTILIZED
FOR THE O&M,NR APPROPRIATION

by

Terry Merle Grieninger

and

Rhonda Jean Shaffer

June 1985

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for development of a standardized financial management system. The standardized financial management system developed by the authors is detailed in the enclosed handbook for use by operating budget holders and OPTAR holders in the Naval Reserve Claimancy.

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Standardization of Management Control/Financial
Management Systems Utilized
for the O&M,NR Appropriation

by

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This thesis provides an overview of the management control and financial management systems currently utilized within the Naval Reserve Claimancy for management of the Operation and Maintenance, Naval Reserve (O&M,NR) Appropriation. An analysis of these systems and identification of control and performance weaknesses resulting from their utilization provides the basis for development of a standardized financial management system. The standardized financial management system developed by the authors is detailed in the enclosed handbook for use by operating budget holders and OPTAR holders in the Naval Reserve Claimancy.

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I. INTRODUCTION

A. GENERAL

The ability to carry out sound fiscal policy and to provide the resources needed to meet emerging problems is an area of concern to all Service Secretaries. The process by which resource requirements are determined and budgeted for is called the Planning, Programming, and Budgeting System (PPBS). The requirements identified by PPBS eventually become part of the President's budget and are submitted to Congress for review and approval. After debate on the issues, Congress passes the DOD Appropriations Bill and sends it to the President for signature. Once it becomes law, the Appropriations Act provides the resources necessary for DOD to function for the next fiscal year.

The Office of Management and Budget then apportions the funds to SECDEF. SECDEF subsequently allocates funds to the military departments in accordance with established plans. Within the Department of the Navy (DON), the Comptroller of the Navy (NAVCOMPT) further subdivides or allocates funds of expense appropriations to subordinate commands known as major claimants in the DON. A major claimant is a command which is designated as an administering office under the operation and maintenance appropriations in NAVCOMPT Volume 2, Chapter 2. There are four operations and maintenance

appropriations within DON: Operation and Maintenance, Navy (O&M,N), Operation and Maintenance, Marine Corps (O&M,MC), Operation and Maintenance, Naval Reserve (O&M,NR), and Operation and Maintenance, Marine Corps Reserve (O&M,MCR).

Commander, Naval Reserve Force (COMNAVRESFOR) is designated as the major claimant for the O&M,NR Appropriation, and thus has the responsibility of effective resource utilization. The O&M,NR Appropriation is the "bread-and-butter" annual appropriation which provides funds for the day-to-day support of Naval Reserve activities, ships, and aircraft. These funds pay for salaries and fringe benefits of civilian employees, contracts for maintenance of equipment and facilities, fuel, supplies, and repair parts for weapons and equipment. For subordinate Naval Reserve activities, the O&M,NR appropriation provides funds in support of operating budgets which are master financial planning and control documents for accomplishing the mission of the Naval Reserve.

B. OBJECTIVE

While COMNAVRESFOR is the sole major claimant for the Naval Reserve, there is not a published or required standardized financial management system for Naval Reserve field activities. The lack of a standardized system limits the control the COMNAVRESFOR Comptroller has over the utilization of O&M,NR Appropriation funds. Military personnel transferring every two-to-three years combined with the lack of standardized methods of financial management

within COMNAVRESFOR results in the need to retrain each individual at each transfer. In addition, the existence of numerous financial management systems makes it difficult for COMNAVRESFOR budget, accounting, and inspector general personnel to provide rapid and comprehensive assistance to field activities when requested. Standardizing the accounting procedures would help to eliminate unnecessary retraining of Naval Reserve financial management personnel upon every transfer and to allow COMNAVRESFOR budget, accounting, and inspector general personnel to more efficiently assist field personnel in the management of funds.

The objective of this thesis is to provide an overview of the Naval Reserve financial management environment as it currently exists and provide recommendations for improvement in the control over utilization of O&M,NR funds. In addition, Appendix A contains a standardized financial management handbook written as part of this study, which is recommended for implementation throughout the Naval Reserve.

C. RESEARCH METHOD

The research method used in the completion of this thesis was a threefold process. The first step was a review of Naval Reserve financial management instructions issued by Commands at all levels of the Naval Reserve Organization. These instructions were analyzed for similarities and differences existing in the financial management methods

used by Commands within the claimancy. The second step was a review of the Resource Management System (RMS) Accounting System, its structure, and how financial information obtained from Navy Activities is collected, processed, and presented in official accounting reports. The system was designed in 1967 to provide financial information to various levels of command. That system has certain requirements that must be met by all Navy Shore Commands, but also has options, that may be selectively implemented at individual commands. The object of this step was to identify the requirements and determine options available. The third step was the coalescence of the data obtained in steps one and two into a comprehensive financial management system recommended for utilization as the standardized method for control and management of O&M, NR Appropriation funds. The result of the third step, Appendix A, is a proposed handbook for utilization by Naval Reserve personnel in the control and financial management of the O&M, NR Appropriation.

D. THESIS ORGANIZATION

This thesis consists of six chapters:

Chapter I, Introduction, briefly outlines the topic of this thesis to acquaint the reader with the control and financial management of the O&M, NR Appropriation.

Chapter II, Management Control Theory, provides a discussion of the theory of management control as it applies to the management of the O&M, NR Appropriation.

Chapter III, Current Management Control/Financial Management Aspects of the O&M, NR Appropriation, describes the current procedures followed, and controls implemented

by COMNAVRESFOR for the planning for (budgeting), execution of (accounting), and financial reporting of all aspects of the O&M,NR Appropriation.

Chapter IV, Weaknesses in the Management Control/Financial Management Aspects of the O&M,NR Appropriation, identifies the control weaknesses and subsequent performance weaknesses resulting from utilization of varied financial management methods within the COMNAVRESFOR claimancy.

Chapter V, Proposed Management Control/Financial Management Standardization for the O&M,NR Appropriation, discusses methods proposed for standardization of the control and financial management system used throughout the COMNAVRESFOR Claimancy.

Chapter VI, Conclusions and Recommendations, identifies the conclusions resulting from research conducted and recommendations for improvement in the control and financial management of the O&M,NR Appropriation through implementation of a standardized system.

The intent of this thesis is to elucidate the problems encountered at all levels of the Naval Reserve Organization in the control and management of O&M,NR Appropriation funds. More importantly, is the desire to provide a means for alleviating as many of the problems as possible through the design of a comprehensive standardized control and financial management system.

II. MANAGEMENT CONTROL THEORY

The theory of management control is applicable to the management of the Operation and Maintenance, Navy Reserve (O&M,NR) appropriation. In this chapter emphasis is placed on the planning and controlling processes. It is important that the Navy manager/comptroller have a basic understanding of these management control processes, and that the manager work within the system confines in order to meet the challenge of optimizing resources. Well established and observed management control systems will assist a Navy manager/comptroller in better meeting this challenge.

A. PLANNING

1. The Planning Process

The planning process within the Naval Reserve begins with the Commander Naval Reserve Force (COMNAVRESFOR) budget call. Before describing the application of the planning function to the Navy manager/comptroller, a basic understanding of the planning process is required. Anthony and Young (1984) state that "planning is deciding what should be done and how it should be done" [Ref. 1: p. 4]. Borst and Montana (1977) expand on that definition by stating that "planning, simply defined, is the process of determining what an organization is, where it wants to go, and what alternatives exist toward that end. Planning exists

on a variety of levels in each organization; strategic or long-range planning may look out over a five-to-ten year period; operational planning has a somewhat shorter time frame; and day-to-day planning is done within the organization's operational planning environment" [Ref. 2: p. 2].

In an attempt to refine a definition that would apply specifically to the nonprofit organization, Ramanathan (1984) states that planning is "deciding on the social mission and goals of the agency and, formulating strategies regarding the development and allocation of the agency's resources" [Ref. 3: p. 398]. The social mission and goals of the military establishment are determined by Congress. For that reason, the military manager is concerned with formulating strategies for the allocation of resources. Other definitions of planning express essentially the same concepts. With these definitions in hand we will now focus on the responsibility for planning.

The reason for planning and the responsibility for it are more important than understanding the definition. "Planning is done within organizations to affect the behavior of an individual, a group, a department, an organization, or an economy. The purpose of a plan is to bring about behavior that leads to desired outcomes, whether the plan is developed by an individual or through a group process within the organization" [Ref. 4: p. 15]. Planning is clearly a top management responsibility; it "is a top

management process concerned with identifying an organization's internal strengths and unique abilities and determining how best to use them to fulfill its social mission" [Ref. 3: p. 183].

Depending on the size of the organization those responsible for the operational planning and budgeting process differ. For purposes of this thesis, the Commanding Officer, Comptroller and Department Heads normally constitute the membership responsible for the planning process at the field level. There is sometimes a misconception that holding top management responsible for planning is a waste of valuable time. Mitchell states that "planning and guidelines are investments of present time which save future time" [Ref. 5: p. 17]. The importance of and responsibility for planning is summarized by Ramanathan. "The ultimate aim of formal planning is to ensure that the statement of social mission and goals are not simply window-dressing documents but are verbal portrayals of a set of shared commitments by the key individuals and groups responsible for managing an agency" [Ref. 3: p. 427].

2. Planning Steps

The planning process as discussed by Emery (1969) has five steps. The first step is to determine the primitive or basic data to be used. The primitive data may be actual values from a data base, or may be expected values in the form of predictions. The type of primitive data

depends on the intent of the plan. For the organizations within the Navy the identification of primitive data begins at the field operating level with responses to formal budget calls.

The second step in planning, according to Emery, is to manipulate the primitive planning data in order to determine the consequences of alternative plans. "If planning is viewed as a means to affect future behavior, the primitive planning data are useful only if they are expected to affect some future outcomes. The identification of these outcomes is usually a key task of the planner. However, the alternatives may not be entirely obvious. Given that only identified alternatives can be selected to lead to desired outcomes, the ability to identify those alternatives is a most important characteristic of a planner" [Ref. 4: p. 20]. This step could prove to be most useful to the Navy manager/comptroller. As most often is the case, funds requested in the budget submission are not always received. Therefore, alternative courses of action prove to be invaluable.

After all alternatives have been determined, Emery's third step is to select the best alternative. Emery points out that there is seldom a single goal and for that reason the optimal plan is seldom selected. He suggests that the planner develop a utility function (i.e., useful guidelines) as an aid in predicting the optimal plan. However, he

states that the development of a utility function is difficult and would more often than not "be obsolete by the time it had been developed" [Ref. 6: p. 137]. The difficulty arises because a utility function is based upon historical data which cannot perfectly predict the future. The solution to selecting the best alternative is to reduce the number of goals through the use of a tradeoff function that would identify the most important goals.

Emery's fourth step is to translate the selected plan into a format for lower-level planning. The end result should be a concise assignment of responsibility for carrying out each portion of the total plan. For the Navy manager/comptroller, translating the selected plan into a format for lower-level planning is accomplished via the Resource Authorization which is issued to each operating budget holder.

The fifth step identified by Emery is the control of the approved plan. This, in the most basic sense, means ensuring that desired results are obtained. The control of the approved plan (the budget), occurs with each Commanding Officer having the responsibility to ensure mission execution within the constraints of the annual budget. This last step leads to the next function of management control, controlling.

B. CONTROLLING

Borst and Montana (1977) state that controlling is a link to the planning process and that its function is to ensure that resources are used efficiently and effectively. Control may be thought of as a mechanism or device that provides direction towards an objective or goal. A pilot strives to keep an aircraft under control in order to reach the desired destination on time, free from accident. In order to reach his goal the pilot uses numerous mechanisms/devices such as the rudder, ailerons, and elevator to control the aircraft. In a like manner, the manager/comptroller within the Navy uses the various accounting systems, procedures, laws, and reports as the control devices.

Anthony and Dearden (1984) state that any control system has as a minimum four components:

1. "an observation device that detects or observes and measures or describes the activities or other phenomena being controlled. The term for this component may be observer, detector, or sensor" [Ref. 7: p. 6]. A Navy example in this category is the RMS accounting system.

2. "An assessing device that evaluates the performance of an activity or organization, usually relative to some standard or expectation of what should be, and identifies out-of-control activities and conditions. The term for this component is evaluator, assessor, or selector" [Ref. 7: p. 6]. Performance reports from the RMS system are assessing devices.

3. "A behavior modification device for altering or changing performance if the need for doing so is indicated. This component may be called a director, modifier, or effector" [Ref. 7: p. 6]. Management feedback and meetings are commonly observed Navy behavior modification techniques.

4. "A means of transmitting information among the other devices. This component's term is communication network" [Ref. 7: p. 6]. The Navy uses memorandums, instructions, and directives as a means of transmitting information.

"Much of the management control process is informal. It occurs by means of memoranda, meetings, conversations, and even by such signals as facial expressions, control devices which are not amenable to asystematic description. Many organizations also have a formal system, in which the information consists of planned (or estimated) and actual data on both outputs and inputs." [Ref. 1: p. 10]

Anthony and Young (1984) explain that programming, budget formulation, operating (and measurement), and reporting and evaluation are four principal steps in a formal management control system. "The steps recur in a regular cycle, and together they constitute a closed loop" [Ref. 1: p. 11]. A slight modification of Anthony and Youngs' four principal steps in a formal management control system could be used to depict the Navy's financial management control system, i.e., planning and programming (budgeting), executing (accounting), and reporting and performance evaluation.

1. Reporting and Performance Evaluation

Perhaps the most difficult of the management control system processes is reporting and performance evaluation. Ramanathan (1982) defines reporting and evaluation as "evaluating actual performance at appropriate intervals against norms, targets, objectives, and goals" [Ref. 3: p. 399]. As described above, reporting and performance evaluation are a necessary link in management control systems. In the profit-oriented organization earnings per

share or return on investment are two types of performance evaluators. Within the nonprofit organization identification of output measures is difficult. "Because the goals and outputs of a nonprofit organization generally are intangible, determining how well the organization is meeting its goals is a difficult process" [Ref. 8: p. 111]. Nevertheless, some form of output measurement must be found.

Anthony and Young (1984) suggest that output measures fall into three categories: (1) results measures, (2) process measures, and (3) social indicators. They define results measures as "a measure of output expressed in terms that are supposedly related to an organization's objectives" [Ref. 1: p. 468]. Ideally, both the objective and output measure are stated in the same terms. They point out however, that in most instances relating measures of output directly to organizational objectives is not possible and in those cases a surrogate or proxy measure is a feasible way of measuring the accomplishment of the objectives. As an example, a Patrol Squadron's primary objective is to provide anti-submarine warfare protection for the country. A surrogate used to measure this objective would be total hours flown that had direct contact with enemy submarines.

Anthony and Young relate process measures to "activity carried on by the organization" [Ref. 1: p. 468]. The essential difference between the results and process measures is that results measures are "ends oriented"

whereas process measures are "means oriented." "An ends-oriented indicator is a direct measure of success in achieving an objective. A means-oriented indicator is a measure of what a responsibility center or an individual does" [Ref. 1: p. 468]. Unless process measures are related to results measures, they may lead to ineffective performance. As an example, if a Patrol Squadron's performance was measured only on hours flown simply flying across the country would amass large amounts of flight time, while providing little, if any, anti-submarine warfare training.

Social indicators are defined as "a broad measure of output which is significantly the result of the work of the organization" [Ref. 1: p. 471]. Anthony and Young believe that social indicators are not worth much as a measurement of output. They state, "social indicators are so nebulous, so difficult to obtain on a current basis, so little affected by current program effort, and so much affected by external influences that they are of limited usefulness in day-to-day management" [Ref. 1: p. 471]. As an example, a 100% recruiting rate may reflect the activities of a particular group of recruiters. However, the rate is also affected by unemployment, lack of future job opportunities and educational opportunities.

Anthony and Young present eight propositions, listed below, which are relevant in the selection of output measures:

1. Some measure of output is usually better than none.
2. If feasible, relate output measures to measures available from outside sources.
3. Use measures that can be reported in a timely manner.
4. Develop different measures for different purposes.
5. Focus on important measures.
6. Don't report more information than is likely to be used.
7. If feasible, tie output measures to expense measures.
8. Don't give more credence to surrogates than is warranted. [Ref. 1: p. 479]

Once a measure, or measures of output have been determined, an individual's or an organization's performance can be analyzed. Ramanathan (1982) lists five questions to be considered as a general approach:

1. What are the total measures of output during the period?
2. How do they compare with output budgeted for the period?
3. Given the actual output, what should have been the amount of resources (e.g., hours, supplies, etc.) consumed by the individual?
4. What was the amount of resources actually consumed by the individual?
5. What explanations does the individual offer in respect to the deviations from budget?
[Ref. 3: p. 551]

After output measures have been determined, and performance has been analyzed, the information needs to be disseminated to the appropriate parties.

Feedback (reporting the effectiveness of current performance) and feedforward (reporting the potential impacts of current deviations on future plans and performance) are the twin aims of monitoring performance. However, the preparation of reports by itself does not guarantee the benefits of feedback and feedforward. The reports must be reviewed at the appropriate levels, explanations and analysis of deviations must be sought from responsible individuals, and corrective actions must be initiated and followed through. The general mechanism for accomplishing these are the review sessions in which superior and subordinate jointly review the latter's performance. [Ref. 3: p. 564]

An example of feedback and feedforward in Navy financial management is found in the budgeting process. The major claimant provides annual planning figures to operating budget holders which are determined by analysis of previous years funds utilization. The operating budget holder then provides feedforward in the form of a proposed budget. If the dollar amount is more than the planning figure designated by the claimant the operating budget holder identifies the impact of the deviation on future performance through submission of an unfunded requirements request.

The theories of management control identified in this chapter apply to the Navy manager as well as any other manager. It is the intent of the authors to identify areas in the financial management of the O&M,NR Appropriation where these theories can be applied.

This chapter has provided a brief overview of the management control system emphasizing planning (budgeting), controlling (operating and accounting), and reporting and performance evaluation. The next chapter will present the

current management control and financial management aspects of the Operation and Maintenance, Naval Reserve (O&M,NR) appropriation.

III. CURRENT MANAGEMENT CONTROL/FINANCIAL MANAGEMENT ASPECTS OF THE O&M,NR APPROPRIATION

Commander, Naval Reserve Force (COMNAVRESFOR) is the sole major claimant for the Naval Reserve appropriation. The COMNAVRESFOR comptroller and staff are ultimately responsible to the Chief of Naval Reserve for control of the Operation and Maintenance, Naval Reserve (O&M,NR) Appropriation. This control encompasses the planning for (budgeting), execution of (accounting), and reporting of all aspects of the appropriation. This chapter describes the current procedures followed, and controls implemented in each of these areas by the major claimant.

A. NAVAL RESERVE ORGANIZATION

To begin to understand the intricacies inherent in the management and control of the O&M,NR Appropriation, it is necessary to first become familiar with the organization and operation of the Naval Reserve Claimancy. The Naval Reserve organization is segregated into two types of operational force activities. Each of these activities; surface and air, is structured in a manner unlike the other. A discrimination between the two types of operational forces and additional commands in the claimancy is imperative to the understanding of the descriptions which follow. Echelon one, two, and three commands are responsible for the overall

direction and management of the Naval Reserve. Figure 1 depicts these levels of the Naval Reserve Organization. These commands, the staff of the Director of the Naval Reserve (OP-09R) in Washington, D.C., and the Commander, Naval Reserve Force Staff in New Orleans, Louisiana provide policy and guidance for the Naval Reserve. Operational direction is provided to Naval Reserve Field Activities by Commander, Naval Surface Reserve Force and Commander, Naval Air Reserve Force staffs in New Orleans, Louisiana.

The remaining Echelon three command identified in Figure 1 is the Reserve Financial Information Processing Center located in New Orleans, Louisiana. This command is responsible for performing the accounting and related disbursing functions for all Navy Commands within its geographical region.

1. Surface

The Naval Surface Reserve organizational discrimination begins at the Echelon four level. At this level there are three types of operational commands. These commands are Naval Reserve Readiness Commands; Commander, Reserve Naval Construction Force; and Naval Support Activity, New Orleans, Louisiana as identified in Figure 2.

a. Readiness Commands

There are sixteen geographically dispersed Naval Reserve Readiness Commands, each of which is responsible for the overall coordination and management of training and

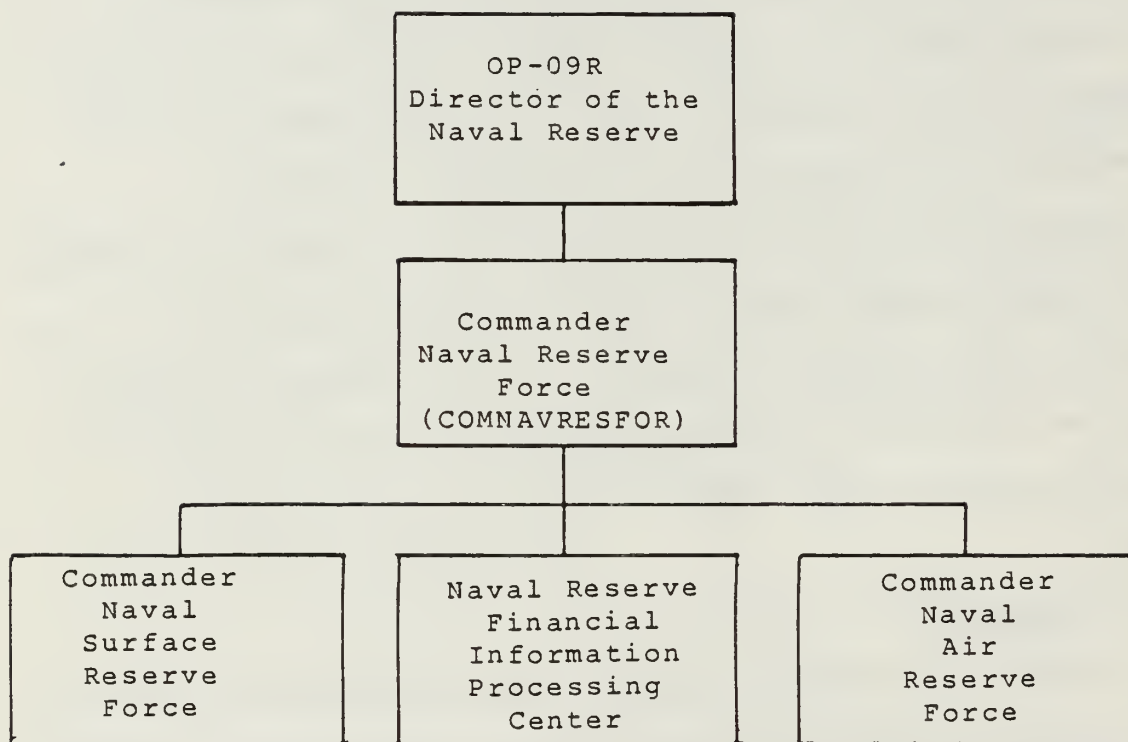


Figure 1. Naval Reserve Echelon One, Two, and Three Organization Chart

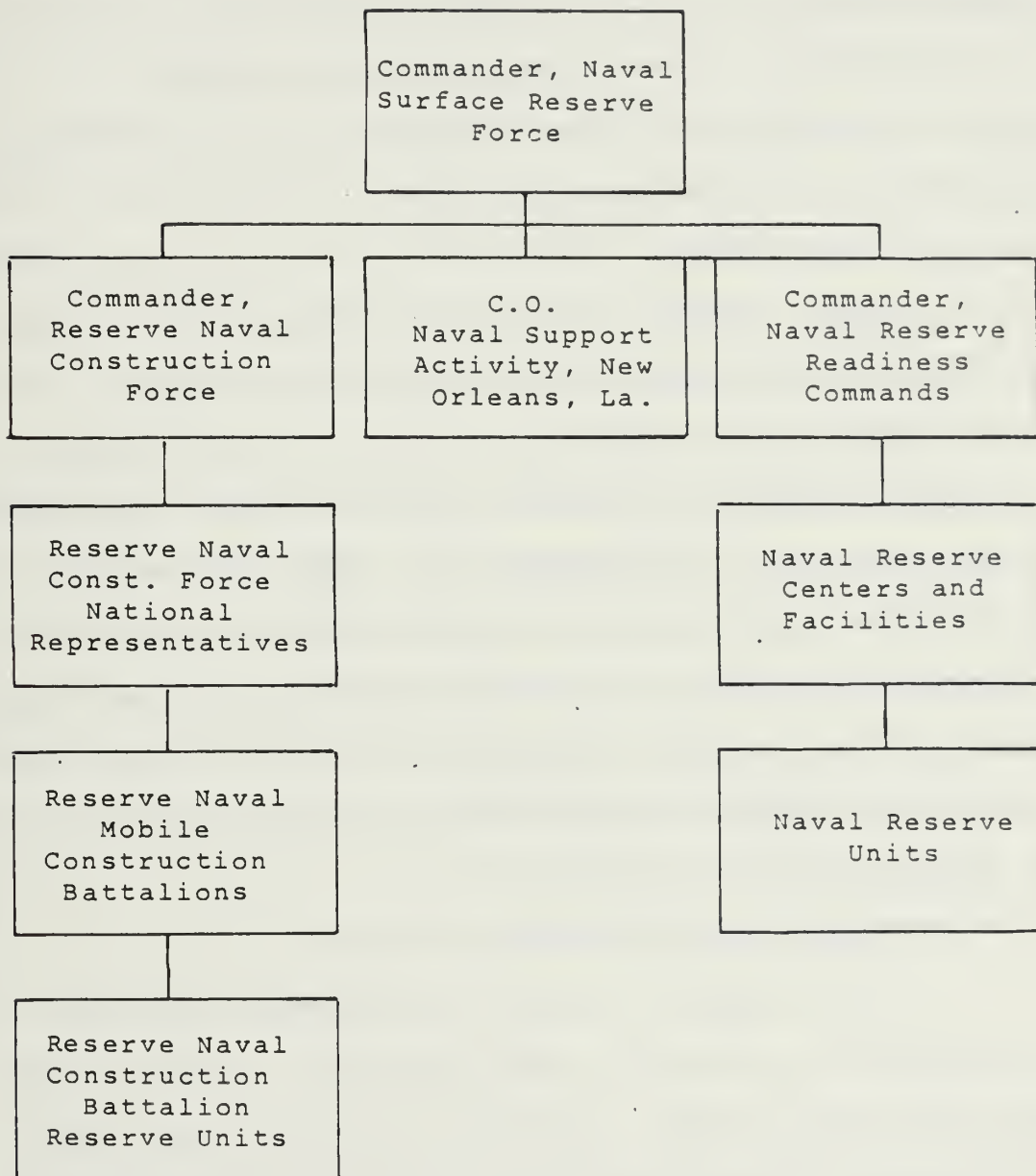


Figure 2. Naval Surface Reserve Organization Chart

support for surface Naval Reservists within their region. Each Readiness Command may have anywhere from ten to twenty-two Naval Reserve Centers or Facilities in their chain of command. The numbers and nature of Naval Reserve Units located at each Naval Reserve Center or Facility will vary. Each Naval Reserve Center or Facility will support a different cross-section of Naval Reserve Units with diverse missions and operational directives.

b. Construction

The Commander, Reserve Naval Construction Force, First Reserve Naval Construction Brigade is currently located at Santa Ana, California. There are four Reserve Naval Construction Force National Representatives immediately below the Commander. Subordinate to the National Representative are the seventeen Reserve Naval Mobile Construction Battalions strategically located throughout the United States. Each of these battalions is responsible for the training of Construction Battalion Reserve Units collocated with surface Naval Reserve Centers nationally.

c. Naval Support Activity

Naval Support Activity, New Orleans, Louisiana is responsible for providing base operational support to the tenant activities and Navy community in New Orleans. Examples of support include providing public works assistance, consolidated supply services and commissary and Navy Exchange facilities. The command has over twenty-five tenant activities, the senior of which is the Commander, Naval Reserve Force.

2. Air

The Naval Air Reserve structure discrimination also begins at the Echelon four level with six Naval Air Stations, two Naval Air Facilities, and seven major Naval Air Reserve locations, as indicated by Figure 3. The distinction between these three types of major air activities is based upon their location, i.e., a Reserve Naval Air Station is a separate geographical command, while a Naval Air Facility is located on an Air Force Base and Naval Air Reserve locations are on board United States Naval Air Stations. These activities are located throughout the continental United States and are responsible for overall coordination and management of training and support for all aviation Naval Reservists in their geographical area. The Commanding Officers of major air activities are responsible for all of the departments of the air station and, in addition, all Reserve Aviation Squadrons which are tenant activities. There are also eight Naval Air Reserve Centers collocated with surface Naval Reserve centers nationwide which report operationally and financially to the Commanding Officer of the nearest major Naval Air Reserve activity.

B. FUNDS FLOW

The O&M,NR Appropriation is distributed among two Budget Activities (broad functional areas) for administrative control. Budget Activity 1 (BA-1), Mission forces, and

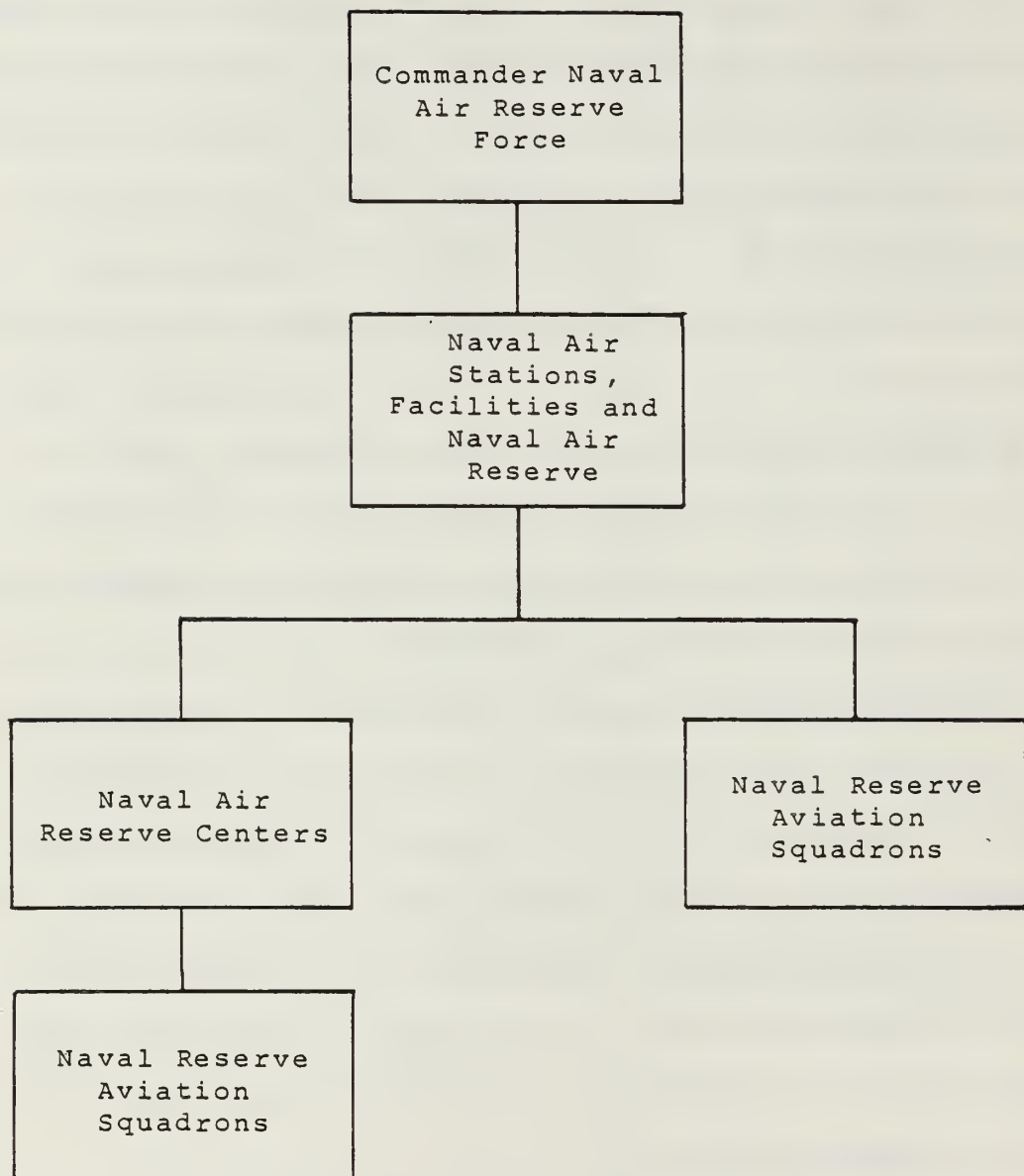


Figure 3. Naval Air Reserve Organization Chart

Budget Activity 3 (BA-3), Other support, are the primary subdivisions of the appropriation. Within the Budget Activities are further subdivisions (subheads) identifying air, surface, and headquarters activities. The BA-1 subheads of the O&M,NR appropriation are .7211 (Air Mission Forces), and .7212 (Surface Mission Forces). The BA-3 subheads of the appropriation are .7231 (Air Other Support), .7232 (Surface Other Support), and .7235 (Management Headquarters and Naval Support Activity Other Support).

COMNAVRESFOR receives an allocation of O&M,NR funds from the Comptroller of the Navy. The COMNAVRESFOR Comptroller retains a portion of these funds for Management of Headquarters staff. In addition, another portion is retained for projects which are considered to have a higher level of importance or interest requiring administration by the staff to ensure appropriate utilization of funds. These types of funds are referred to as centrally managed funds, an example of which is funding for Navy C-9 transportation contracts. The COMNAVRESFOR Comptroller issues Expense Operating Budgets to Echelon 4 activities who in turn issue OPTARS to their subordinate activities (Echelon 5). The funds flow is identical to the flow of authority and responsibility indicated in Figures 1, 2, and 3.

By using an OPTAR to distribute funds, the operating budget holder encourages the involvement of the OPTAR holder in the financial management of the organization and

ensures the financial decisions are made at the operational level closest to where the performance of tasks will occur. An OPTAR is an administrative allocation of funds which does not carry any legal limitation responsibility. In some cases, however, funds may need to be under tighter control, or because of their level of visibility (e.g., travel funds) under the direct control of the command with legal responsibility. These types of funds are those which are centrally managed by Expense Operating budget holders.

C. FINANCIAL MANAGEMENT

1. Accounting Structure

There are many levels of subdivision and classification used in the Navy budget and accounting processes for purposes of identifying and accumulating costs for management control. A brief mention and description of these will assist the reader in understanding the purposes of this thesis.

An activity group is a code which identifies the major operational areas chosen by major claimants for the administration of funds under the Resource Management System (RMS) (e.g., F3 Other Base Operating Support). A sub-activity group is another code which identifies detailed operational areas within the activity group (e.g., administration tasks performed for Other Base Operation Support).

A similar relationship exists between functional and sub-functional categories. The functional category

represents a grouping of operations or tasks related to the performance of a particular function. The sub-functional category is simply a more detailed grouping of operations or tasks identified by a functional category (e.g., D1 administration functions).

There are two remaining classifications for identifying and accumulating costs used in the Resource Management System which are of importance. Cost account codes are used to classify transactions by cost category, according to the purpose of the transactions (e.g., 1J23 word processing costs). Use of cost account codes insures uniformity of contents of management accounting reports. Expense elements are alphabetic codes used to identify specific kinds of resources used in operations (e.g., T supplies).

AG	SAG	FC/SFC	CAC	EE
F3	FF	D1	1J23	T
Other BOS	Admin Activities	Admin Functions	Word Processing	Supplies

Figure 4. RMS Accounting Subdivisions

Each of the levels and types of classification described above play a role in the planning, accounting, and reporting aspects of the Operation and Maintenance, Naval Reserve Appropriation. Figure 4 displays the aforementioned subdivisions and classifications in diagram format to assist in understanding the relationship which exists among them.

2. Financial Information Processing Centers

A central entity in the accounting system for RMS is the Financial Information Processing Center (FIPC). The function of the FIPC is to provide accounting and related disbursing services to designated user commands. These services include maintaining official accounting records and preparing periodic accounting reports for the user command. The FIPC receives financial data from the user commands and based on this input renders official accounting reports back to the user command and to higher authority as required by NAVCOMPT.

At the present time, Naval Reserve Financial Information Processing Center, New Orleans, Louisiana provides accounting and related disbursing services for all Navy Commands within a five state area (New Mexico, Arkansas, Louisiana, Oklahoma, and Texas) and thirteen of fifteen Naval Air Reserve Activities. The Commander, Naval Reserve Force Staff Comptroller recently presented a proposal to the Comptroller of the Navy requesting that this FIPC be designated as the Naval Reserve Claimancy FIPC. This proposal, when approved, will result in the transfer of official accounting, record keeping, and reporting responsibilities for the O&M,NR appropriation to the direct operational control of the Naval Reserve Command.

3. Naval Reserve Financial Planning

The COMNAVRESFOR comptroller recently issued a Budget and Financial Guidance Manual (COMNAVRESFOR P-7100).

The purpose of the manual is to provide detailed guidance to subordinate commands for the preparation and submission of budget requirements in consonance with the Department of the Navy budget cycle. COMNAVRESFOR P-7100 is a comprehensive guide to the planning phase of financial management for the Naval Reserve.

The beginning of the planning process within the claimancy is the COMNAVRESFOR budget call. The call contains guidance, policy directions, and instructions from higher authority as well as that generated at the COMNAVRESFOR level. The call is issued to ensure consistency in and control over the budgetary input throughout the claimancy. The budget process is a series of inter-related actions beginning at the field operating target (OPTAR) level and flowing upward with review and summarization at each level of the chain of command. This process ensures the participation and the support of all activities responsible for financial management of portions of the appropriation.

Submission of budget information up the chain of command is to be in accordance with the COMNAVRESFOR P-7100. This directive provides detailed instructions to field comptrollers (Echelon four) on all of the forms which COMNAVRESFOR uses in the formulation of the claimancy input to the NAVCOMPT budget submission. In addition, Appendix F of COMNAVRESFOR P-7100 provides listings of all Activity

Groups (AG), Sub-Activity Groups (SAG), Function/Sub-Function codes (FC/SFC), Cost Account Codes (CAC), and Expense Elements (EE) for utilization in the budgeting and accounting for O&M, NR funds.

The COMNAVRESFOR budget analysts also use the budget information and annual planning figures submitted by field activities in the allocation of New Obligational Authority (newly available authority, provided by Congress, enabling agencies to obligate government funds) to each activity in the form of the Resource Authorization (NC 2168-1). COMNAVRESFOR issues each of 34 operating budget holders a NAVCOMPT 2168-1 each quarter which includes the New Obligational Authority (NOA) for the activity. These authorizations are supported by the data obtained from the financial plan of the activity (included in the budget input).

Notes attached to the NAVCOMPT 2168-1 identify the financial plan by Sub-Activity group in addition to detailing the legal limitations placed on the authorization by 31 U.S. Code 1301 (formerly R.S. 3678) and 31 U.S. Code 1517 (formerly R.S. 3679). As required by 31 U.S. Code 1301, appropriated funds are used only for the programs and purposes for which they were appropriated. Additionally, 31 U.S. Code 1517 prohibits any officer or employee from making or authorizing an obligation in excess of the amount available in an appropriation or in excess of amounts permitted by agency regulations.

Field comptrollers are required by COMNAVRESFOR P-7100 to update their financial plan twice annually: the mid-year review in February and the prior year review in August. In addition, the COMNAVRESFOR Comptroller must be notified of any reprogramming of funds (among SAG's within each budget activity) in order to ensure claimant funds allocation records are current. Reprogramming of new obligational authority between quarters requires COMNAVRESFOR approval and issuance of an amended Resource Authorization. Reprogramming of funds between BA-1 and BA-3 is expressly prohibited by the Commander, Naval Reserve Force Comptroller.

4. Naval Reserve Financial Execution

As Echelon four activity Commanding Officers receive obligational authority it is their responsibility to maintain control and ensure execution of annual budgets in an efficient manner. Included in this is the responsibility for establishing management controls regarding utilization of financial resources. The establishment of these management controls is delegated to the activity comptroller who endeavors to ensure controls generate financial reports which keep the Commanding Officer and other management members of the command informed as to the financial status of respective operational areas. Some of the specific types of controls and their adequacy are to be discussed in Chapter IV.

COMNAVRESFOR P-7100 provides a list of suggested "local funds status areas" which may be identified and reported to activity Commanding Officers on a monthly basis, if so desired. Examples of these areas are total funds authorized, OPTAR record keeper and FIPC accounting report obligations to date, and identification of unfunded requirements or excess funding. In addition to these areas, the field activity comptroller is responsible for ensuring submission of necessary documentation to the activity's Financial Information Processing Center so that the official accounting records of the activity accurately reflect the funds status.

COMNAVRESFOR provides operating budgets to two types of Naval Reserve force activities: surface and air. Each type of activity faces different organizational characteristics and thus management control procedures.

a. Surface

(1) Readiness Commands. Readiness Commands receive operating budgets which are either centrally managed or passed on as operating targets (OPTARS) to Reserve Center Commanding Officers. Each Naval Reserve Readiness Command has a civilian comptroller (GS-12) who is responsible for advising the Readiness Commander in financial management areas. The method used for control of funds is determined by the comptroller and continued with few substantial changes as Readiness Commanders (Navy O-6) transfer every two or three years.

It is within the authority of the comptroller to establish any type of local systems and procedures for control of funds, as long as they are established in accordance with directives from higher authority and conform with the requirements of RMS and the particular accounting input system used by the FIPC. The method of maintaining unofficial accounting records (memorandum record keeping) and information transfer from the Reserve Center to the Readiness Command and/or FIPC is also at the discretion of the Readiness Command comptroller.

Currently each of the sixteen Naval Reserve Readiness Commands issues its own financial management directive which provides detailed procedures to OPTAR Holders for memorandum record keeping, monitoring status of funds, and reconciliation of funds reporting to operating budget holders. While each of the Readiness Commands manage similar distributions of funds, the methods detailed for management of these funds are varied. Many of the differences in methods are the result of the different types of accounting input systems used by the servicing FIPI; but even some of those Readiness Commands serviced by the same FIPC (e.g., Great Lakes) have completely different methods for memorandum record keeping, monitoring status of funds, and reconciliation of funds reporting. Examples of the differences and the problems inherent in these differences are detailed in Chapter IV.

(2) Construction Force. The Reserve Naval Construction Force receives an operating budget which is managed in a completely different manner than the air and surface contingents of the Naval Reserve. While the accounting for the majority of O&M,NR funds is accomplished within the guidelines of Financial Management of Resources (Shore Activities) (NAVSO P-3006), the accounting for Reserve Naval Construction Force O&M,NR funds follows the guidelines of Financial Management of Resources (Operating Forces) (NAVSO P-3013). There are significant differences in accounting procedures dictated by these two manuals.

Since Reserve Naval Construction Force funds are accounted for under a different type of accounting system, they will not be included in the standardized accounting procedures developed in this thesis for Resource Management System (RMS) and NAVSO P-3006 directed funds.

(3) Naval Support Activity. Naval Support Activity, New Orleans receives an operating budget of which portions are centrally managed and the remainder passed on as OPTAR's to departments within the command. At these commands, it is also within the authority of the comptroller to establish any systems and/or methods necessary to manage the activity's funds. The comptroller at Naval Support Activity, New Orleans is a Lieutenant Commander who is responsible for advising the Commanding Officer on financial management matters. The Reserve Financial Information

Processing Center provides services to Naval Support Activity, New Orleans.

Within the surface side of the Naval Reserve claimancy as many as 17 different methods of accounting are possible for the financial management of an equal number of commands. The difficulty of control of the O&M,NR appropriation, as a result of the different methods of accounting, is detailed in Chapter IV.

b. Air

Major Naval Air Reserve Activities receive operating budgets which are either centrally managed or passed on as operating targets to functional departments of the air station, tenant Reserve Aviation Squadrons, and if applicable, subordinate Naval Air Reserve Centers. Each of the major air activities has a comptroller, who may be either military or civilian, responsible for advising the Commanding Officer in financial management areas. The method used for control of funds is determined by the Air Activity comptroller and maintained with few substantial changes as Commanding Officers (Navy O-6) transfer every two or three years.

Just as in Surface Commands, it is within the authority of the comptroller to establish individualized methods for management of funds at their activity. Since thirteen of fifteen activities are serviced by the Reserve FIPC (computer linked), the format of input to the FIPC and reports and feedback to the activities is identical.

However, financial management methods (e.g., the memorandum record keeping procedures, cut off dates for inputs, and information transfers from OPTAR holders to the comptroller) vary at each of the activities. Examples of the differences and the problems inherent in this are also detailed in Chapter IV.

5. Naval Reserve Financial Reporting

Financial reporting of the O&M, NR appropriation includes both "unofficial" and "official" reports and communication. "Unofficial" financial reports and communication concerning the O&M,NR Appropriation include all reports and communication required by COMNAVRESFOR and operating budget holders from subordinate commands. "Official" financial reports and communication include all transfers of information between NAVCOMPT, COMNAVRESFOR, FIPC's, operating budget holders, and OPTAR holders, which are required by NAVCOMPT directives.

The "official" reports required by NAVCOMPT directives (e.g., Trial Balance Report (NAVCOMPT 2199), Budget Classification/Functional Category/Expense Element Report (NAVCOMPT 2171), and Monthly Report of Civilian Employment by Appropriation (NAVCOMPT 2270)) are standardized throughout the Navy financial accounting system. The formats for required reports are prescribed by appropriate directives, are used by all FIPC's and are, therefore, not aspects of the control area which are considered in this thesis.

The "unofficial" reports required by COMNAVRESFOR from all of the Naval Reserve Echelon four commands (e.g., Annual O&M,NR Budget Submission (COMNAVRESFOR P-7100-1), Delinquent Travel Advances for Prior Year One and Two (COMNAVRESFOR P-7301-1), and Memorandum Record Flight Hour Cost Report (COMNAVRESFOR P-7310-7)) are standard and provide COMNAVRESFOR with the information required to keep claimancy records current.

The remaining examples of reports provide evidence that differences exist in financial management reporting methods. From the FIPC's to operating budget holders, a myriad of different reports exist. Some FIPC's prepare Job Order Reference Files, other prepare Cumulative Job Order Reports, while still others prepare all or any of the following; Memorandum Record Reports, Weekly Status of Funds Listings, and Uniform Management Reports. In addition to the differences in reports provided to operating budget holders the inputs required from operating budget and OPTAR holders occur in as many different formats as there are FIPC's servicing Naval Reserve Activities.

The reports required by Naval Reserve Echelon four comptrollers from their OPTAR holders are as distinctive and numerous as are the comptrollers. Each has a preferred format for memorandum records in addition to individualized methods for preparation of status of funds and reconciliation reports. There are at least four different designated

cut off dates for end of month processing and more than twenty different job order structures and, thus, cost accumulation techniques.

D. SUMMARY

Discussions in this chapter have identified the methods used by the surface and air forces of COMNAVRESFOR in the financial management of the O&M,NR appropriation. The methods are the result of requirements established by COMNAVRESFOR field comptrollers and FIPC's servicing Naval Reserve activities.

Given the management control organization which allows for different methods of financial management and control it is our objective in Chapter IV to discuss these differences. Chapter IV identifies the weaknesses inherent in the individual methods used in the financial management of O&M,NR appropriation funds. In addition, it identifies the control weaknesses which result from the utilization of different financial management methods and COMNAVRESFOR dependence upon the services of more than one FIPC.

IV. WEAKNESSES IN THE MANAGEMENT CONTROL/FINANCIAL MANAGEMENT ASPECTS OF THE O&M,NR APPROPRIATION

The previous chapter described the Management Control and Financial Management Systems currently used within the Naval Reserve claimancy for management of the O&M,NR Appropriation. The descriptions of the systems used for financial management identified differences in methods/procedures required by field activity (Echelon four) Comptrollers. This chapter identifies control weaknesses and subsequent performance weaknesses resulting from the use of varied financial management methods, in addition to weaknesses resulting from dependence upon the services of more than one FIPC for official accounting records and reports.

A. COMNAVRESFOR (ECHELON THREE)

The COMNAVRESFOR Comptroller requires certain standardized reports such as Annual O&M,NR Budget Submission (COMNAVRESFOR P-7100-1), Delinquent Travel Advances for Prior Year One and Two (COMNAVRESFOR P-7301-1), and Memorandum Record Flight Hour Cost Report (COMNAVRESFOR P-7310-7) from all Naval Reserve operating budget holders. These reports, submitted in accordance with COMNAVRESFOR instructions, contain standardized data that can be easily aggregated at COMNAVRESFOR. As a result, these reports do not create funds control problems for COMNAVRESFOR. Other reports such as the Trial Balance Report (NAVCOMPT 2199), and

Budget Classification/Functional Category/Expense Element Report (NAVCOMPT 2171) are received at COMNAVRESFOR from the ten FIPC's which service Naval Reserve Commands. Although the report formats are standardized, control problems for COMNAVRESFOR exist as a result of the differing operational characteristics of the ten FIPC's.

1. Cutoff Dates

Each FIPC establishes a cutoff date for financial data input from user commands. These dates vary from the twenty-fourth day to the last day of each month. Also, each FIPC experiences different levels of backlog in input of financial data to their accounting systems. The result of these two differences among FIPC's is that official month-end accounting reports may not include all obligations which have been reported by Naval Reserve Commands to the FIPC by month-end.

In response to cutoff dates required by servicing FIPC's, Naval Reserve Field Activity Comptrollers, in turn, establish cutoff dates for their OPTAR Holders which are even earlier in the month. This allows field activity comptrollers time to receive and process inputs from OPTAR holders before the FIPC month-end cutoff. The cutoff dates are not the same claimancy wide.

2. Mail Delays

Another inherent control problem exists as a result of the requirement to submit obligation data to some FIPC's

via first class mail. The necessity of reliance upon the "timely" delivery of the first class mail by the U.S. postal system results in the establishment of earlier cutoff dates to ensure receipt and processing by operating budget holders (as described in the previous section). Despite this corrective measure, the delays in mail delivery result in unprocessed transactions at month-end closing. At the present time, all Naval Reserve operating budget holders are required to submit some forms of obligation data by mail.

The combination of mail delays and varying cutoff dates results in official reports prepared by FIPC's which do not include the actual obligations established against the O&M,NR appropriation, for any given period of time. The difference between official obligation rates and actual obligation rates for the first seven months of Fiscal Year 1985 fluctuated between five and ten million dollars for the appropriation.¹

The inability of the COMNAVRESFOR Comptroller to control the difference between reported obligation rates and actual obligation rates in the official reports from FIPC's creates a significant control problem. This problem is most evident toward the end of the first year when the COMNAVRESFOR Comptroller endeavors to ensure an obligation rate as close

¹Telephone conversation between author and Commander Callahan, COMNAVRESFOR O&M,NR Budget Officer, New Orleans, Louisiana.

as possible to one hundred percent without exceeding the total obligations authorized by the appropriation. The official reports prepared by the FIPC are forwarded to NAVCOMPT via COMNAVRESFOR and all the documents used by NAVCOMPT when requests for additional funding is received from COMNAVRESFOR. If official reports indicate, for example, fifteen million dollars unobligated, a request from COMNAVRESFOR for additional funds may be viewed unfavorably. It is imperative that improved financial control of the O&M,NR appropriation be established to ensure that the official accounting reports of the appropriation more accurately reflect the actual status of appropriated funds.

B. OPERATING BUDGET HOLDERS (ECHELON FOUR)

As detailed in the previous section, operating budget holders are required to submit certain standardized reports to the COMNAVRESFOR Comptroller on a regular basis. In addition, they are required to submit accounting data to their respective FIPC's in accordance with FIPC instructions.

The control problems experienced by the COMNAVRESFOR Comptroller resulting from cutoff dates and mail delays are experienced to a lesser degree by the operating budget holders. An operating budget holder is serviced by a single FIPC and therefore does not encounter multiple cutoff dates as COMNAVRESFOR does. However, operating budget holders still have to deal with obligation rates on official accounting reports issued by FIPC's which are different from actual

obligation rates contained in memorandum records maintained by the OPTAR holders. These differences result in a requirement for operating budget holders to more closely monitor the obligations of OPTAR holders to ensure the desired obligation rate of one hundred percent by year-end without exceeding total obligational authority.

There are no instructions issued by COMNAVRESFOR which regulate the methods and procedures designed by the operating budget holder to manage O&M,NR appropriation funds. This means that each Naval Reserve Echelon four operating budget holder may design and implement an individualized system for control and financial management of O&M,NR appropriation funds granted to that activity. These different systems do not create a control problem for operating budget holders because each has the authority to require all subordinate OPTAR holders to use the system, thus resulting in identically formatted inputs to the Comptroller at the operating budget level. The control problem resulting from the different systems, however, becomes evident at the OPTAR (Echelon five) level.

C. OPTAR HOLDERS (ECHELON FIVE)

The previous sections of this chapter discussed control problems that exist at the COMNAVRESFOR and operating budget holder level. This section describes in detail those problems which currently exist at the OPTAR holder level. The financial management problems which exist at this level of

the Naval Reserve Organization are not the control problems of Echelons three and four, but rather performance problems resulting from both the methods used and the number and diversity of procedures used. The most serious problems encountered at the OPTAR holder level can be grouped into two categories; those resulting because of different methods of financial management, and those resulting because of lack of training required to perform the tasks assigned to OPTAR record keepers. The majority of OPTAR recordkeepers are mid-level petty officers, storekeepers and aviation storekeepers, and civilian employees at the GS-4 and GS-5 levels.

1. Different Methods of Financial Management

Since COMNAVRESFOR has not standardized the methods and procedures by which operating budget holders manage the O&M,NR appropriation funds for which they are responsible, each operating budget holder may design and implement an individualized system for control and financial management of O&M,NR appropriation funds. This has resulted in as many different methods of financial management as there are Naval Reserve Echelon four operating budget holders. The recordkeeping and reporting areas where performance of the OPTAR recordkeeper is most affected result from existing systems, which on the whole, suffer from excess complexity and varying job order structures, document numbering systems, and execution and reporting requirements.

a. Complexity

Comptrollers at Echelon four operating budget holder activities are GS-12's and Lieutenant Commanders whose educational backgrounds and operational responsibilities are financial management. The financial management systems they design contain procedures which, in some of the cases we reviewed, are quite complex and require an inordinate amount of time to accomplish. It is apparent that the Comptrollers did not consider the financial management background and experience (or lack thereof), of the representative OPTAR recordkeepers assigned to their cost centers, nor did they consider the other duties and responsibilities which are placed upon these individuals. The more complex systems increase the workload of the OPTAR recordkeeper, in some cases, to a level which makes it quite difficult for this individual to perform other assigned duties as required. Given these constraints, either the other duties or the financial management duties must be performed in a less than satisfactory manner.

b. Job Order Structures

While the basic job order structures used by the RMS system are the same (i.e., 11 digits beginning with cost center UIC, followed by fiscal year and five additional characters), the manner in which the last five characters are assigned differs from comptroller to comptroller at the operating budget holder level. For example, one comptroller

uses alpha numeric cost center identifiers in positions seven and eight followed by a three digit serial, while another comptroller uses a single alpha cost center identifier in position seven followed by the SAG number and two zeros in the remaining positions. Additionally, some of the comptrollers establish job order numbers and provide a list of applicable numbers to each cost center and other comptrollers require OPTAR recordkeepers to establish their own job order numbers, within guidelines, and transmit these numbers to the comptroller. These differences create the necessity to retrain storekeepers every time they transfer and thus results in a required retraining period at each new command.

c. Document Numbering Systems

While the basic Navy financial management document number structure is standardized and promulgated by NAVCOMPT instruction, our research found that some of the Echelon four Comptrollers have chosen to modify the structure to suit their desires and the systems they established. One comptroller changed document type codes to include an identifier for his command. One comptroller requires Mil-strip (14 digit document number used on requisitions from the supply system) and standard document numbers to be jointly serialized while others required logs to ensure separate serialization. Some of the financial management instructions we reviewed detailed the document number

construction concisely, while others simply referenced the NAVCOMPT instruction for directions. In cases of cost centers which are not on NAVCOMPT distribution lists, finding the referenced instruction would be difficult and time consuming. The varied methods of document number construction result in an unnecessary indoctrination period at each transfer to learn the new system.

d. Execution and Reporting Requirements

Yet another difficulty facing the OPTAR recordkeeper is the differing execution and reporting requirements that are established by the operating budget holders. Each comptroller selects the operational areas for which they choose to centrally manage funds and then distributes the remaining funds to OPTAR holders. This results in inconsistencies in the types of funds managed by the OPTAR recordkeepers. Each comptroller also establishes different procedures for performing financial management tasks, formats for maintaining records, and requirements for data submission and status of funds reporting. Our review of operating budget holder financial management instructions found that a myraid of differences exist in OPTAR logs, obligation transmittal forms, status of funds and reconciliation procedures and reporting formats, filing systems, and frequency of submission of reports to comptrollers. For example, there are, at a minimum, fifteen different forms for budget input, OPTAR authorization, job order establishment, obligation

transmittal, OPTAR logs, and status and reconciliation of funds reports. Some of the OPTAR logs are maintained by SAG, others by job order, and others simply by date of obligation. Some methods of reconciliation require utilization of four separate accounting reports (i.e., active document listings, cumulative job order reports, operating budget holder summary reports, and OPTAR logs) while others require only two (i.e., memorandum record report and OPTAR logs).

There are more differences in the financial management system, methods and procedures established by operating budget holders than could be listed in this thesis. Our endeavor is simply to provide examples of the magnitude of the differences present at the OPTAR recordkeeper level of the Naval Reserve Organization.

2. Training Requirements

A contributing factor to the financial management problem in the Naval Reserve claimancy is the unavoidable military transfer of surface and aviation storekeepers. Approximately thirty percent of these personnel transfer annually.² For the surface storekeeper these transfers are from one Reserve Center to another until the individual is senior enough (E-6 and above) to be assigned to Readiness Commands and other higher echelon staffs. For the aviation

²Telephone conversation between author and SKCM Johnston, COMNAVRESFOR Supply Supervisor, New Orleans, Louisiana.

storekeeper these transfers are from squadrons to Naval Air Station supply departments, Aviation Intermediate Maintenance Detachments, or Naval Air Reserve Centers until they are senior enough (E-6 and above) to be assigned to Reserve Aviation Wing Commands and other higher echelon staffs.

The difference in financial management methods detailed in the previous sections necessitate partial retraining in the financial management area of all personnel relocating in billets assigned to other operating budget holders. In addition, as a storekeeper advances in rate, it is expected that they will become the "experts" in systems used in the field by junior storekeepers. When assigned to Readiness Commands, Wings and other higher echelon staffs, senior storekeepers are expected to report on board and perform inspections, audits, and when requested, assist visits. This is infeasible without intensive training if the storekeeper has not been assigned to a billet belonging to that operating budget holder. Transfers, then, require a learning adjustment period in order to understand and comprehend the particular financial reporting system used and this results in a degradation of support services provided to field activities until the storekeeper is fully trained.

Presently there is no formal training method available to train storekeepers in the financial management of O&M, NR Appropriation funds. The Naval Reserve Management School, located in New Orleans, Louisiana, is responsible

for training enlisted Naval Reservists (active and inactive) in specialty areas. The school offers a three week Supply and Fiscal course designed to prepare the storekeeper to perform the duties assigned at field activities. It is difficult at this time to train the storekeepers in financial management in three weeks because of the plethora of different systems.

This chapter presented the financial control and performance weaknesses that exist in the Naval Reserve as a result of a non-standardized financial management system. Chapter V will present concepts that should be used in the development of a system designed to standardize the financial management of the O&M,NR appropriation.

V. PROPOSED MANAGEMENT CONTROL/FINANCIAL MANAGEMENT
STANDARDIZATION FOR THE O&M,NR APPROPRIATION

The previous chapter described control weaknesses and subsequent performance weaknesses resulting from utilization of varied financial management methods, in addition to weaknesses resulting from dependence upon the services of more than one FIPC for official accounting records and reports. This chapter identifies the concepts used by the authors in the development of a standardized financial management system for the O&M,NR Appropriation. In addition, the mode of operation for implementation of these concepts is described.

A. COMNAVRESFOR (ECHELON THREE)

Currently COMNAVRESFOR receives official accounting reports from ten FIPC's nationwide, only one of which is in the Naval Reserve claimancy (RESFIPC). The RESFIPC does about 25 percent of the accounting for the O&M,NR Appropriation. Therefore, COMNAVRESFOR has little control over approximately seventy-five percent of the accounting which is performed for this appropriation. In order to alleviate this lack of control, the establishment of a claimancy wide FIPC was proposed to NAVCOMPT by the COMNAVRESFOR Comptroller. This proposal was recently approved with implementation to begin in October 1985. RESFIPC, New Orleans, Louisiana, has been designated as the servicing FIPC for the O&M,NR

Appropriation. Accounting services for Naval Reserve commands will be progressively transferred to RESFIPC beginning with the NAS Dallas, Texas and the Naval Air Reserve and the Naval Reserve Readiness Command Region Nine, Memphis, Tennessee on the first of October. The establishment of a claimancy wide FIPC eliminates the control problems for COMNAVRESFOR which have resulted from differing operational characteristics of the FIPCs.

1. Cutoff Dates

The designation of RESFIPC as the claimancy wide FIPC eliminates the utilization of varying cutoff dates for end-of-month financial data input from user commands. This designation will not eliminate the control problems resulting from the backlog in input of financial data to the accounting system. It will, however, reduce the control problem by placing this backlog at one FIPC, which is under the operational control of COMNAVRESFOR. COMNAVRESFOR, then, can easily identify the unprocessed backlog and, if problems do occur (i.e., the backlog becomes excessive), may exercise their control to correct RESFIPC operational deficiencies.

2. Mail Delays

The authors recognize that it is not feasible or possible to eliminate all mail delays occurring as a result of reliance on the routine delivery of first class mail by the U.S. Postal System. However, elimination of any of

current delay periods would be advantageous to COMNAVRESFOR. The installation of on-line computer terminals providing obligational input capability at all operating budget holder locations will eliminate one of the two existing mail delays. Alternatively use of a 24 hour mail delivery system would also eliminate the delay. Providing either one of these capabilities removes the necessity for establishment of cutoff dates prior to the end of the month at OPTAR holder locations and allows COMNAVRESFOR to establish a claimancy wide month-end cutoff date.

The establishment of claimancy wide cutoff dates for both obligational input from an OPTAR holder to the operating budget holder, and the operating budget holder to RESFIPC, in addition to the elimination of a substantial portion of mail delays through installation of on-line computer terminals at operating budget holder locations, significantly improves the control COMNAVRESFOR has over O&M,NR Appropriation funds. Implementation of these initiatives will not eliminate all differences between official obligation rates on RESFIPC generated accounting reports and actual obligation rates on OPTAR holder Status of Funds reports. Implementation of the initiatives will, however, ensure that if these differences become unacceptable COMNAVRESFOR has the authority and control to correct operational deficiencies.

B. OPERATING BUDGET HOLDERS (ECHELON FOUR)

The most serious control problem identified in the previous chapter for operating budget holders was that

caused by the differences in obligation rates in official accounting reports and OPTAR holder Status of Funds reports resulting from the combination of early cutoff dates and mail delays. Implementation of the initiatives described in the previous section will help to eliminate a significant portion of the differences in official and actual obligation rates.

C. OPTAR HOLDERS (ECHELON FIVE)

The financial management problems existing at Echelon five commands are not related to the control problems of Echelons three and four, but, rather, are performance problems resulting from both the number and diversity of procedures used. One objective of this thesis is to eliminate the differences in methods and procedures currently used by designing a standardized financial management system which could be implemented throughout the Naval Reserve claimancy. Implementation of this standardized financial management system will eliminate the systemic performance problems of the present.

1. Different Methods of Financial Management

The implementation of the standardized financial management system described in Appendix A will successfully alleviate this problem. Specifically affected will be those performance problems resulting from:

- the complexity of existing systems,
- varying job order structures,

- varying document numbering systems, and
- execution and reporting requirements.

a. Complexity

Financial management systems currently being used within the COMNAVRESFOR claimancy are complex. The lack of a standardized financial management system has permitted Echelon four comptrollers to design and implement their own individual systems. These systems vary in complexity based on the education and experience of the comptroller. The complexity of the systems reviewed requires the placement of an inordinate workload on the OPTAR recordkeeper. The financial system presented in Appendix A was developed to provide a standardized, simple, easy-to-understand system. A primary consideration in the design of the system was the limited financial management background and experience that OPTAR recordkeepers possess.

b. Job Order Structure and Document Numbering Systems

Since Echelon four comptrollers have designed and implemented individualized financial management systems, numerous job order structures and document numbering systems exist within the claimancy. The most serious problem resulting from the different systems is the necessity to retrain storekeepers upon transfer as described in Section 2, Training Requirements. Implementation of the financial management system described in Appendix A will ensure

claimancy wide standardization and thus eliminate much of the retraining currently required.

c. Execution and Reporting Requirements

Each of the different financial management systems implemented by Echelon four comptrollers requires distinct methods of maintaining OPTAR records, reporting funds status to the operating budget holder, and reconciling OPTAR records to official accounting records. As previously indicated, the one objective of this thesis was to develop a standardized, simple, easy-to-understand financial management system. Therefore, the system described in Appendix A identifies document control logs, OPTAR logs, status of funds reports, and reconciliation reports which are comprehensive yet concise. Procedures for the maintenance of logs and preparation of reports are detailed in a step-by-step style. The system also utilizes the Memorandum Record Report (designed by RESFIPC personnel) as the single document required by the OPTAR recordkeeper for reconciliation of OPTAR records with official accounting records.

2. Training Requirements

The difference in financial management methods detailed in Chapter IV necessitate partial retraining in the financial management area of all Naval Reserve storekeeper personnel transferring to a billet assigned to a different operating budget holder. This retraining in different

methods prevents senior enlisted personnel from attaining the expertise desired of senior Naval Reserve storekeepers. The different procedures also make it difficult to maintain an adequate financial management curriculum at the Naval Reserve Management School for inclusion in the Supply and Fiscal Course. The system described in Appendix A eliminates these training difficulties. With a standardized system, storekeepers who have been trained at the Naval Reserve Management School prior to being assigned to their first billet with financial management responsibilities should be able to easily perform all assigned duties. In addition, as storekeeper personnel are assigned to more responsible billets their expertise will continue to grow. Senior storekeepers assigned to Readiness Commands, Aviation Wings, or COMNAVRESFOR staff will indeed be qualified to provide expert assistance to junior field level personnel.

This chapter identified the concepts used by the authors in the development of a standardized financial management system for the O&M,NR Appropriation. Chapter VI presents the conclusions and recommendations.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

The objective of this thesis is to provide an overview of the Naval Reserve financial management environment as it currently exists and provide recommendations for improvement in the control over utilization of O&M,NR Appropriation funds. This objective ultimately included the design of a standardized financial management system and preparation of a handbook for use by Naval Reserve financial management personnel.

Initial research for this thesis included the review of Naval Reserve financial management instructions issued by twenty Naval Reserve operating budget holders who responded to a request for data. Thorough analysis of this data, as well as correspondence with the COMNAVRESFOR comptroller, convinced the authors that there is indeed a serious deficiency in the control and financial management of O&M,NR Appropriation funds. In our opinion, this deficiency is the result of the coalescence of two factors; COMNAVRESFOR reliance on FIPCs not subject to COMNAVRESFOR operational control, and the use of different methods of control and financial management of O&M,NR Appropriation funds at the operating budget holder level.

B. RECOMMENDATIONS

After completion of initial research the authors and COMNAVRESFOR discussed the merits of adopting a claimancy wide FIPC. COMNAVRESFOR submitted a request to NAVCOMPT for designation of RESFIPC, New Orleans, Louisiana, as the single FIPC to provide accounting services for the Naval Reserve claimancy. Pending approval of that request, the authors proceeded to develop a standardized financial management system for utilization by all Naval Reserve commands to replace the plethora of financial management systems currently in existence. It is the opinion of the authors that designation of RESFIPC as the claimancy wide FIPC and implementation of a standardized financial management system will eliminate serious deficiencies existing in COMNAVRESFOR control and financial management of O&M,NR Appropriation funds.

Prior to the culmination of this thesis, approval was received from NAVCOMPT designating RESFIPC as the Naval Reserve FIPC. This provided a solution to the first of the serious deficiencies identified in the control and financial management of O&M,NR Appropriation funds. The solution to the second of the serious deficiencies is the implementation of a standardized financial management system in accordance with the following recommendations.

1. COMNAVRESFOR implement the standardized financial management system detailed in Appendix A, Financial Management Handbook For Operations and Maintenance,

Naval Reserve (O&M,NR) Funds. Implementation of this system will require the training of all operating budget holder personnel and OPTAR recordkeepers currently receiving accounting services by RESFIPC. Additionally, training will be required for the same personnel of other Naval Reserve Commands as their accounting services support is transferred to RESFIPC. There are two important areas that COMNAVRESFOR must not fail to consider as new commands are brought onboard. First, COMNAVRESFOR must ensure adequate manning at RESFIPC to process the continually increasing workload. Second, COMNAVRESFOR must ensure that the organization providing Automatic Data Processing (ADP) support to RESFIPC can effectively and efficiently process the increasing workload.

2. RESFIPC must establish coordination with the organization providing their ADP support to ensure the capability of inputting all obligation transactions, whether to the Integrated Disbursing and Accounting System or the Resource Management System, via on-line terminals at operating budget holder locations.
3. COMNAVRESFOR must ensure that on-line computer capability is provided to operating budget holders when their accounting services support is transferred to RESFIPC.
4. COMNAVRESFOR must ensure adequate manning at the operating budget holder level to process the increased workload resulting from the requirement to input all obligations at that level.
5. The Naval Reserve Management School must develop a curriculum using Appendix A as a guide for a course (of one week duration at a maximum) for training Naval Reserve financial management personnel. This curriculum should be included in the Supply and Fiscal Course currently taught at Naval Reserve Management School. Additionally, Naval Reserve Management School should provide qualified instructors (Selected Reserve personnel if the current course load prohibits the use of active duty instructors) to assist COMNAVRESFOR with required training of operating budget holder personnel and OPTAR recordkeepers.
6. COMNAVRESFOR must ensure all Aviation Storekeepers being assigned to a Naval Reserve billet with financial management responsibilities attend the financial management portion of the Supply and Fiscal Course at the Naval Reserve Management School.

C. FUTURE RESEARCH

Prior to the culmination of this thesis the authors identified three potential areas recommended for future research.

1. Identify the costs or benefits to the Navy of using Express Mail rather than on-line computer systems for timely transmission of financial data.
2. Identify any existing reason why all Navy Ashore accounting systems should not be identical.
3. Identify possibilities which exist for the development of a more efficient financial management system for the O&M,NR Appropriation when current operational constraints can be alleviated.

Completion of a follow-up study once the system developed in this thesis has been implemented, would identify areas in which this system operates both efficiently and inefficiently. Further research could be accomplished to correct the resulting inefficiencies.

D. CONCLUDING REMARKS

Sound financial management of the O&M,NR Appropriation is not an easy task. It requires the dedication and support of not only Naval Reserve financial management personnel, but also Commanding Officers/Department Heads of all Naval Reserve activities. The authors of this thesis believe that the consolidation of information and development of the standardized accounting system presented in Appendix A will assist the COMNAVRESFOR comptroller in achieving and maintaining the control and financial management of the

O&M, NR Appropriation to ensure the efficient allocation of scarce public resources.

APPENDIX A

FINANCIAL MANAGEMENT HANDBOOK FOR OPERATION
AND MAINTENANCE, NAVAL RESERVE (O&M,NR) FUNDS

COMNAVRESFOR

From: Commander, Naval Reserve Force

Subj: LETTER OF PROMULGATION FOR THE FINANCIAL MANAGEMENT
HANDBOOK FOR OPERATIONS AND MAINTENANCE, NAVAL
RESERVE (O&M,NR) FUNDS

1. Background. Commander, Naval Reserve Force (COMNAVRESFOR) is the sole major claimant for the Operations and Maintenance, Naval Reserve (O&M,NR) Appropriation. The responsibilities of the major claimant encompass the planning for (budgeting), execution of (accounting), and reporting of all aspects of the appropriation. These responsibilities can be accomplished in a satisfactory manner only if COMNAVRESFOR and his comptroller and staff have an acceptable degree of control over the appropriation funds and the manner in which they are budgeted for, accounted for, and reported to higher authority.

2. Purpose. The primary purpose of this handbook is to provide detailed guidance to subordinate commands and managers for (1) the preparation and submission of budget requirements (in conjunction with COMNAVRESFOR P-7100); (2) the establishment of standardized cost and job order structures; and (3) the incorporation of standardized methods of memorandum record keeping, reconciliation, and reporting procedures.

3. Scope. This manual briefly discusses the O&M,NR appropriation and its utilization for the accomplishment of the COMNAVRESFOR mission. It provides specific guidance for policies and procedures designed to standardize the budgeting, accounting, and reporting of the O&M,NR funds held by the Operating Budget (OB) holders, and Operating Target (OPTAR) holders of the Naval Reserve. In addition it details the legal responsibilities, statutory requirements, and limitations imposed at all echelons by higher authority.

4. Approval. This publication was reviewed and approved on

R. J. Kincaid
by direction

Distribution

RECORD OF CHANGES

<u>Change Number</u>	<u>Date of Change</u>	<u>Date Entered</u>	<u>Sig of person Entering Chg</u>
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CHAPTER 1

INTRODUCTION

A. OPERATION AND MAINTENANCE, NAVAL RESERVE (O&M,NR) APPROPRIATION

O&M,NR is an annual appropriation available for incurring obligations for expense items during the fiscal year specified in the appropriation act. The appropriation provides the day-to-day operating and maintenance funds for such varied costs as flight operations, surface unit mission support, and base operating support (BOS) costs for activities under the cognizance of COMNAVRESFOR.

The O&M,NR appropriation is divided into smaller accounts called Budget Activities (BA) which are identified by subheads. The two BA's relative to COMNAVRESFOR are BA-1 (Mission Forces) and BA-3 (Other Support).

BA-1 provides funds for the operation and maintenance of Reserve aircraft, mission travel, as well as Surface Force programs such as Mobile Inshore Undersea Warfare units, Reserve Naval Construction Forces, Cargo Handling Battalions, and Assault Craft Units.

BA-3 is subdivided into two components: field base operations and management headquarters. The field base operations component provides funds to maintain and operate facilities and provide services and material to support Naval Reserve activities. The management headquarters component provides for the support of the Commander, Naval Reserve Force headquarters.

COMNAVRESFOR O&M,NR appropriation subheads are used to identify the budget activity and are designated by a 4-digit numeric or alpha/numeric code suffixed to an appropriation or fund symbol. Subheads are used primarily for administration, accounting and control of an appropriation. As required by NAVCOMPT, the first and second characters of a subhead identify the major claimant and the third character identifies the Budget Activity (BA). COMNAVRESFOR uses the fourth character to identify air, surface and management headquarters activities. Figure 1-1 illustrates the COMNAVRESFOR O&M,NR appropriation subheads.

Subhead Title	Subhead Number
AIR MISSION FORCES	.7211
AIR OTHER SUPPORT	.7231
SURFACE MISSION FORCES	.7212
SURFACE OTHER SUPPORT	.7232
MANAGEMENT HEADQUARTERS, AND NAVAL SUPPORT ACTIVITY, OTHER SUPPORT	.7235

Figure 1-1

B. FINANCIAL CLASSIFICATIONS

Within a given subhead there are other levels of segregation and classification used in the Navy budget and accounting processes which are for purposes of identifying and accumulating costs used in management control process. A brief description of these will assist the reader in understanding the following discussions. In addition, Appendix A includes detailed definitions of pertinent terms used in the financial management process.

An activity group is a code which identifies the major operational areas chosen by claimants for the administration of funds under the Resource Management System (the system implemented by the Department of Defense to integrate accounting and reporting with programming and budgeting under the Planning, Programming, and Budgeting System). A sub-activity group is another code which identifies finer operational areas within the activity group(e.g., Security Groups within the surface mission forces).

A similar relationship exists between functional and sub-functional categories, with the functional category representing a grouping of operations or tasks related to the performance of a particular activity (e.g., mission operations). The sub-functional category is simply a finer, more detailed grouping of operations or tasks identified by a functional category (e.g., maintenance or administration functions).

There are three remaining classifications for identifying and accumulating costs used in the Resource Management System (RMS) which are of importance. Given a

specific FC/SFC, object classification codes identify transactions by types of services as distinguished from functions (e.g., civilian personnel costs).

Expense elements are alphabetic codes used to identify specific kinds of resources used in operations (e.g., supplies or equipment). Finally, cost account codes are used to classify transactions according to their purpose and are also used for ensuring the uniformity of contents of management accounting reports.

Each of the levels and types of classification described above play a vital role in the planning, accounting, and reporting aspects of the Operation and Maintenance, Naval Reserve Appropriation. It is one of the purposes of this handbook to provide detailed guidance to the Naval Reserve field activities regarding standardized classifications used in control of the O&M,NR appropriation.

C. NAVAL RESERVE ORGANIZATION

To begin to understand the intricacies inherent in the management and control of the O&M,NR Appropriation, it is necessary to first become familiar with the organization and operation of the Naval Reserve Claimancy. A differentiation between the types of forces and additional commands in the claimancy is imperative to the understanding of the control required by COMNAVRESFOR. The Naval Reserve is organizationally segregated into two types of force activities. Each of these activities, surface and air, is organizationally structured in a manner unlike the others. Echelon one, two, and three commands are responsible for the overall direction and management of the Naval Reserve. These commands (the staff of the Director of the Naval Reserve (OP-09R) in Washington D.C., and the Commander, Naval Reserve Force Staff and Commander, Naval Surface Reserve Force and Commander, Naval Air Reserve Force staffs in New Orleans, Louisiana) provide policy and guidance to the Naval Reserve field activities.

The remaining Echelon three command of the Reserve Claimancy is the Reserve Financial Information Processing Center (RESFIPC) located in New Orleans, Louisiana. This command is responsible for performing the accounting and related disbursing transactions for all Navy Commands within its geographical region, in addition to all official accounting, record keeping, and reporting responsibilities for the O&M,NR appropriation and commands under the direct operational control of COMNAVRESFOR.

The Naval Surface Reserve organizational structure differentiation begins at the Echelon four level with Naval Reserve Readiness Commands and Naval Support Activity, New Orleans, Louisiana. There are sixteen geographically dispersed Naval Reserve Readiness Commands, each of which is responsible for the overall coordination and management of training and support for surface Naval Reservists at anywhere from ten to twenty-two Naval Reserve Centers and Facilities (Echelon five commands). The numbers and types of Naval Reserve Units located at each of the approximately 235 Naval Reserve Centers vary. Each Naval Reserve Readiness Command has a civilian comptroller who is responsible for advising the Readiness Commander in financial management areas.

Naval Support Activity, New Orleans, Louisiana is responsible for providing Base Operational Support (BOS) to the tenant activities and Navy community in New Orleans. The command has over twenty-five tenant activities, the senior of which is the Commander, Naval Reserve Force. The Commanding Officer, Naval Support Activity, New Orleans has a Lieutenant Commander comptroller who is responsible for advising him on financial management matters.

The Naval Air Reserve organizational structure differentiation also begins at the Echelon four level with six Naval Air Stations, two Naval Air Facilities, and seven major Naval Air Reserve locations. These activities are strategically located throughout the continental United States and are responsible for overall coordination and management of training and support for all aviation Naval Reservists in their geographical area. Each of the major air activities also has a comptroller (some military and some civilian) responsible for advising the Commanding Officer in financial management areas. The Commanding Officers of major air activities are responsible for all of the departments of the air station and, in addition, all Reserve Aviation Squadrons which are tenant activities. There are also eight Naval Air Reserve Centers co-located with surface Naval Reserve Centers nationwide which report operationally and financially to the Commanding Officer of the nearest major Naval Air Reserve activity.

D. LEGAL CONSTRAINTS

Two important legal constraints established by Congress apply to any officer or employee assigned responsibility for an appropriation or an operating budget. These two legal constraints are the following:

1. The principal provision of 31 U. S. Code 1301 (formerly part of Section 3678 R.S.) requires that funds may be used only for the programs and purposes for which the appropriation is enacted. The law states:

"Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law."

Certain other provisions of the law, which must be administered as limitations, establish the minimum or maximum amount which may be used under an appropriation for a specified purpose. An example of this is the floor (i.e., a specified amount is available for that purpose only) established in the O&M,NR appropriation for the maintenance of real properties .

2. The principal provisions of 31 U. S. Code 1517 (formerly part of Section 3679 R. S.), often referred to as the "Anti-deficiency act" are as follows:

1. Forbids the involvement of the government in any contract or obligation to pay money in advance of the appropriation. In those instances where contracting documents are issued prior to the beginning of a cited fiscal year a warning statement is included that funds availability is contingent upon enactment of the appropriation bill.

2. Prohibits any officer or employee from making or authorizing obligations in excess of the amount available in the apportionment amount granted.

3. Requires that the person who caused the violation be subject to discipline which may include suspension without pay or removal from office. If this action is done knowingly and willfully, that person may be subject to criminal penalties or a fine up to \$5,000 or imprisoned for not more than two years or both.

4. Requires apportionment by months, quarters, other regular periods or by activities or functions, or a combination of both methods.

5. Requires the head of each agency to issue regulations establishing an administrative control system with two purposes: first, to keep obligations within the amount of the authorization; and second, to enable the agency to fix responsibility for making obligations in excess of the authorization should that

occur.

The operating budget holder is responsible for all authorizations of funds granted to his command and the responsibilities cannot be delegated; however, command or administrative penalties will be levied if an OPTAR is exceeded or mismanaged.

CHAPTER 2

ASSIGNMENT OF RESPONSIBILITIES

A. GENERAL INFORMATION

The primary purpose of this handbook is to provide detailed guidance to COMNAVRESFOR subordinate commands and managers for:

1. The preparation and submission of budget requirements (in conjunction with COMNAVRESFOR P-7100).
2. The establishment of standardized cost and job order structures.
3. The incorporation of standardized methods of memorandum recordkeeping, reconciliation, and reporting procedures within the Naval Reserve claimancy.

The first seven chapters and appendixes not only identify the standardized system which the COMNAVRESFOR Comptroller thinks will enable his staff to maintain the control required in assuring his accountability for O&M, NR Appropriation funds, but also provide a delineation of areas of responsibility for operating budget holders and OPTAR holders, and exhaustive instructions for the execution of the system components. The next two sections of this chapter provide a recapitulation of the areas of responsibility and major duties of operating budget holders and OPTAR holders.

B. OPERATING BUDGET HOLDERS RESPONSIBILITIES

The general areas of responsibility and major duties of the operating budget holder in the control and financial management of the O&M, NR Appropriation are as follows:

1. Ensure that the operating budget is conscientiously managed to provide for effective and efficient accomplishment of the assigned mission within established legal constraints.
2. Provide COMNAVRESFOR with reasonable and financial plans and budget inputs in a timely manner.
3. Provide leadership and technical guidance for subordinate commands and personnel in matters regarding financial management.

4. Establish and promulgate a cost structure in accordance with guidelines provided in this handbook.

5. Establish job order numbers for all OPTAR holders and ensure accurate maintenance of the RESFIPC job order reference file.

6. Ensure that all document numbers and accounting classification data are constructed in accordance with guidance provided in this handbook.

7. Ensure all financial transactions either originated at the operating budget holder level or received from OPTAR holders are processed in an accurate and timely manner.

8. Ensure adequate files concerning financial transactions with required supporting documentation are maintained at the operating budget holder level to provide audit trails.

9. Ensure preparation and maintenance of Document Control and OPTAR logs for all centrally managed funds and assigned OPTARS's in accordance with instructions provided in this handbook.

10. Ensure that funds so identified in this handbook are in fact centrally managed.

11. Ensure Civilian Labor Costs are efficiently managed and accurately accounted for in accordance with instructions provided in this handbook.

12. Maintain required records and manage financial aspects of all reimbursable projects of the operating budget.

13. Ensure certification and submission of all vendors invoices received in accordance with instructions provided in this handbook.

14. Ensure Military labor costs are accurately accounted for and required reports submitted in accordance with instructions provided in this handbook.

C. OPTAR HOLDER RESPONSIBILITIES

The general areas of responsibility and major duties of the OPTAR Holder in the control and financial management of the O&M, NR Appropriation are as follows:

1. Ensure that assigned OPTAR's are conscientiously managed to provide for the effective and efficient accomplishment of the assigned mission within established administrative guidelines.

2. Provide operating budget holders with reasonable and well-considered financial plans and budget inputs in a timely manner.

3. Ensure all financial transactions are accurately identified within the cost and job order structures established by the operating budget holder to appropriately reflect the costs of performing the activity mission.

4. Ensure that all document numbers and accounting classification data are constructed in accordance with guidelines provided in this handbook.

5. Ensure that all financial documents and transmittals are processed and submitted to the operating budget holder in an accurate and timely manner.

6. Ensure adequate files concerning financial transactions with required supporting documentation are maintained at the OPTAR level to provide audit trails.

7. Ensure preparation and maintenance of Document Control and OPTAR logs in accordance with instructions provided in this handbook.

8. Ensure monthly Status of Funds and Reconciliation Reports are prepared and submitted to operating budget holders in accordance with instructions provided in this handbook.

9. Ensure that travel claims are submitted in a timely fashion upon completion of travel by activity personnel.

10. Ensure that long distance telephone calls placed by activity personnel are necessary, in the interest of the government, and appropriately authorized.

11. Ensure certification and submission of all vendors invoices received in accordance with instructions provided in this handbook.

II. SUMMARY

The implementation of the control and financial management system outlined in this handbook is a mandatory step in establishing more viable control and management of the O&M,NR Appropriation than has existed in the past. All operating budget holders and CFTAR holders are required to implement the system as described. Any modification or amplification of the system requires COMNAVRESFOR approval. Operating budget holders and CFTAR holders who identify modifications to the system which would reduce the required workload while still maintaining the same degree of standardization and accountability are encouraged to submit these suggestions to the COMNAVRESFOR Comptroller for consideration. The underlying goal of this and all endeavors of COMNAVRESFOR in this area is to ensure the efficient and effective method of control and financial management of O&M,NR Appropriation funds.

CHAPTER 3

BUDGETING

A. GENERAL INFORMATION

A budget for any organizational entity is a financial plan of action. In its broadest sense, budgeting is a systematic technique for overall financial planning.

An operating budget is designed to provide a plan against which performance can be measured, variances analyzed, and adjustments made to permit effective management of resources at all echelons. Although the budget is an annual plan, it must contribute to the attainment of future objectives and missions. It is not an entity unto itself; it has roots in the past and a direct relationship to the future.

The development of an operating budget is a process of determining valid requirements at the lowest echelon (normally an OPTAR or cost center level), and summarizing these requirements with those of other OPTARS (cost centers) for the total activity. In developing a budget, the cost center manager uses those specific guidelines provided by the operating budget holder (e.g., Readiness Commander or Naval Air Station Commanding Officer).

B. COMNAVRESFOR BUDGETING

The COMNAVRESFOR comptroller issues a Budget and Financial Guidance Manual (COMNAVRESFOR P-7100) which is provided to all OB holders in the Naval Reserve Claimancy. The primary purpose of the manual is to provide detailed guidance to subordinate commands for the preparation and submission of budget requirements in consonance with the Department of the Navy budget cycle. It is a comprehensive guide to the planning phase of financial management.

The beginning of the planning process within the claimancy is the COMNAVRESFOR budget call. The call contains guidance, policy directions, and instructions from higher authority as well as that generated at the claimant level. The call is issued to ensure consistency in and control of the budgetary input throughout the claimancy. The budget process is a series of interrelated actions beginning at the field operating target (OPTAR) level and flowing upward with review and summarization at each level

of the chain of command. This process ensures the participation and, hopefully, support of all activities responsible for financial management of portions of the appropriation.

Submission of budget information up the chain of command is to be in accordance with the COMNAVRESFOR P-7100. This directive provides detailed instructions to field comptrollers on all of the forms which COMNAVRESFOR uses in the formulation of the NAVCOMPT budget submission. In addition, Appendix F of COMNAVRESFOR P-7100 provides listings of all Activity Groups (AG), Sub-Activity Groups (SAG), Function/Sub-Function codes (FC/SFC), Expense Elements (EE), and Object Classes for utilization in the budgeting and accounting for O&M,NR funds.

Operating Budget holders are required to update their financial plan (included in budget input) twice annually, the mid-year review in February and the prior-year update in August. In addition, COMNAVRESFOR must be advised of any reprogramming of funds (among SAG's within each budget activity) in order to ensure claimant funds allocation records are current. Reprogramming of new obligational authority between quarters requires COMNAVRESFOR approval and issuance of an amended Resource Authorization. Reprogramming of funds between BA-1 and BA-3 is expressly prohibited by the Commander, Naval Reserve Force Comptroller.

The COMNAVRESFOR budget analysts use the budget information and annual planning figures submitted by field activities in the allocation of New Obligational Authority (newly available authority, provided by Congress, enabling agencies to obligate government funds) to each Echelon four activity in the form of the Resource Authorization (NC 2168-1). COMNAVRESFOR issues each of their operating budget holders a NAVCOMPT 2168-1 (Resource Authorization) each quarter which includes the New Obligational Authority (NOA) for the activity. These authorizations are supported by the data obtained from the financial plan of the activity (included in the budget input). Notes attached to the NAVCOMPT 2168-1 identify the financial plan by Sub-Activity group in addition to detailing the legal limitations placed on the authorization by 31 U.S. Code 1301 (formerly R.S. 3678) and 31 U.S. Code 1517 (formerly R.S. 3679).

While COMNAVRESFOR P-7100 provides detailed policies and procedures for submission of all budget requirements and related formats to COMNAVRESFOR, it does not provide detailed requirements for inputs to the Operating Budget holders. This evolution has, in the past, been

accomplished through the utilization of as many as 25 different structured systems, all providing the same basic budget information.

The standardization of the planning phase of control of the O&M,NR appropriation requires identical formats and procedures for collection of budget input from OPTAR holders. Detailed guidance for preparation and submission of all required budget information and formats to be used are provided in Appendix B, Budgeting.

COST STRUCTURE

A. GENERAL INFORMATION

Costs in the Navy are accumulated in order to determine the cost of a product, a program, or a job. In this case the ultimate accumulation is to provide the cost of the Operation and Maintenance of the Naval Reserve (O&M,NR). An important reason for this is that through cost accumulations, management (i.e., COMNAVRESFOR) can better institute financial control of the O&M,NR appropriation and thereby establish an index of the effectiveness of claimancy management at all echelons and endeavor to increase efficiency and effectiveness in Naval Reserve Management.

COMNAVRESFOR P-7100 sets forth a uniform cost structure to be used in planning, budgeting and accounting by the COMNAVRESFOR claimancy within the O&M,NR appropriation. The various budget and accounting classifications establish a system which furnishes resource managers at various echelons with a method of collecting cost data to effectively and efficiently manage resources. It also furnishes COMNAVRESFOR and higher echelons of authority with data which is necessary to coordinate and control the utilization of these resources.

B. BUDGET AND ACCOUNTING STRUCTURE

NAVCOMPT Manual, Vol. II, Chapter 4 identifies and defines the Activity Groups, Sub Activity Groups, functional/subfunctional categories and cost accounts to be used by Naval activities for accumulation of cost information required for justification of the Department of the Navy budget. Because of the diversity of functions within the Navy, many of the definitions provided are necessarily broad. The interpretation and the subsequent determination of the applicability of the various AG's, SAG's, F/SFC's, and cost accounts to the functions within the Naval Reserve are the responsibility of COMNAVRESFOR. Decisions in this regard are based upon COMNAVRESFOR budget justification requirements specified by NAVCOMPT. Use of a specific cost category is often dictated by NAVCOMPT or may otherwise require NAVCOMPT concurrence or approval.

The Budget and Accounting Structure provided in COMNAVRESFOR P-7100 represents the cost structure determined to be applicable to the COMNAVRESFOR claimancy.

Establishment of job orders by all echelons of the command for accumulation of cost information will be in compliance with this cost structure. This requirement is based upon the fundamental importance of consistency in the identification and collection of cost data for budget justifications.

The SAG listing in COMNAVRESFOR P-7100 provides the AG/SAG to be used by COMNAVRESFOR activities. The AG/SAG structure represents an integrated programming, budgeting and accounting code classification structure. The AG identifies a major operational area and the SAG represents a finer operational area within the AG's. Use of the AG/SAG codes enable managers to accumulate expenses and gross adjusted obligations in the same terms in which they formulate, justify and execute their operating budgets. Therefore, this structure provides execution data to support development of budgets and a standardized cost structure for the entire claimancy.

"Sub" SAG's (SAG #'s) are used by COMNAVRESFOR to collect data at a level more detailed than the 32 SAG's applicable to this claimancy; but at a higher level of aggregation than the approximately 2800 applicable cost accounts. Sub SAG's correlate to specific data requirements of claimant budget submissions to higher authority. The Sub SAG structure included in COMNAVRESFOR P-7100 is subject to revision dependent on higher authority budget requirements.

COMNAVRESFOR exercises the prerogative permitted within NAVCOMPT guidelines to alter cost account codes to permit collection of data at a level differing from the NAVCOMPT defined cost account. This is accomplished by changing the last digit of the cost account. Included in the Budget and Accounting Structure are COMNAVRESFOR unique cost accounts which permit either consolidation of several NAVCOMPT cost accounts or finer subdivisions of a NAVCOMPT cost account. Operating budget (OB) holders desiring to use additional cost accounts not authorized within the Budget and Accounting Structure must have prior approval of COMNAVRESFOR.

The Budget and Accounting Structure located in COMNAVRESFOR P-7100 includes three listings of the same basic information in different sequences: SAG sequence, cost account sequence, and cost center sequence. These three sequences are provided as cross reference tools in the often tedious task of job order establishment, as well as the determination of what costs should be reported. These three listings will be used by OB holders to establish job orders which are provided to OPTAR holders.

Inherent in the standardization of the cost structure and subsequent preparation of reports provided to OB and OPTAR holders by RESFIPC is the identification of the significance of the Segment and Local Management Summary Codes (LMSC). These two identifiers are tools for the sequencing and summarization of data in the Memorandum Record Report (MRR). This report (explained in detail in Appendix C) is the primary accounting report provided by RESFIPC to Claimancy OB and OPTAR holders.

The segment is a four digit code identifying either a Reimbursable Work Order (RWO) or OPTAR holders within a funding Authorization (operating budget). The LMSC is a four digit alpha/numeric used to identify the SAG and SUBSAG in accordance with COMNAVRESFOR P-7100.

Segments and LMSC's determine the sequence, pagebreaks and totals in the MRR. They should be carefully considered prior to their use in establishing job orders. Detailed instructions for construction of segments and LMSCs are contained in Appendixes D (Air) and E (Surface).

C. JOB ORDERS

Job Orders are the lowest level of cost accumulation and are used to identify and record the type and amount of funds used in support of the mission of COMNAVRESFOR. This data is used as a basis for budgeting in future years as well as execution of current year funding; therefore, use of correct job orders cannot be overemphasized.

Job orders are required for all transactions. A transaction without a job order cannot be entered into the accounting system. The careful establishment of job orders is extremely important for both accounting and management. From an accounting point of view, job orders are used to process transactions to the correct accounting data and into appropriate reports. From a management point of view a job order is the basic tool for grouping or accumulating costs. The job order is the crucial link for grouping and posting detailed transaction data to official accounting records.

A job order number is an eleven character alpha/numeric code used to accumulate costs. A single job order may be used to accumulate charges in several expense elements; e.g., charges for labor, material and services.

A job order record is a 160 character record maintained in the computer data base with various accounting data

assigned to the job order number. These records are used to assign complete accounting data to all financial transactions.

A job order reference file is a master file containing all job order records and is used to verify accounting data assigned to job order numbers.

A Navy-wide job order structure is not prescribed because of the variation in requirements among claimants. FIPC's are directed to develop a job order structure to provide for the accumulation of accrued expenses in the RMS system which they use (e.g., Uniform Automatic Data Processing System (UADPS) is used by RESFIPC New Orleans). The term "job order structure" will include any assignment of codes for the purpose of accumulating and posting accounting information.

Locally prescribed job order structures must be designed to produce accrued costs at the activity group and sub-activity group level, functional category level, subfunctional category level, cost account level, and expense element level.

The Uniform Automatic Data Processing System (UADPS) for Stock Points job order is an eleven character alpha/numeric code constructed as follows:

1st - 5th positions	UIC of OPTAR/Cost Center
6th position	last digit of FY
7th - 11th positions	serial number (9th-R for RWO)

The first five digits of the job order will be a Unit Identification Code (UIC). The UIC cited in the job order should be the UIC that will be cited in the document number of documents chargeable to that job order. When documents are submitted to UADPS for commitment/obligation, one UIC is used by the program for the UIC of the job order and the document number. Therefore, the document number and the job order to which that document is charged must contain the same UIC, and activities in which more than one UIC is used for numbering documents must establish a separate set of job orders for each UIC. Duplicate job orders are not allowed within a UIC (activity). Separate, non-duplicative BA-1 and BA-3 job orders within a UIC are to be established using the appropriate job order serialization.

A five character alpha/numeric code will be contained in the last five positions of the job order as a OPTAR

identifier and serial.

Once serial numbers have been established, they should be continued in subsequent fiscal years for the liquidation of outstanding obligations and the recording of material adjustments caused by differences in prior year expense accruals (accounts payable) and expenditures received on those items in the current year.

The accurate coding of operating budget and OPTAR job orders in the UADPS system is a technical and demanding task. Consequently, care is required of the operating budget holder's financial management personnel in establishing job orders and verifying that job order records in the system are correct.

When a job order is submitted to RESFIPC by the operating budget holder personnel for establishment, it should be verified that all data elements have been correctly recorded in the Job Order Reference File (JORF). This procedure is established to minimize the number of transactions rejected from the system for failure to cite an established job order. It will also reduce the possibility of having transactions post to inaccurate accounting data as a result of an error in the coding or key entry of the job order record.

Detailed instructions on how to read the JORF to make this verification, in addition to detailed instructions to be followed by the operating budget holder's financial management personnel in the submission of job orders, mandatory RESFIPC job orders, and other special job order coding requirements are included in the RESFIPC Accounting Services Guide.

It is imperative for efficient management control of the O&M,NR appropriation that construction of segment and local management summary codes and job orders used in the accounting for the appropriation funds be standardized claimancy wide. Appendixes D and E provide detailed guidance in the construction of these identifiers for the Air and Surface communities of COMNAVRESFOR respectively. Appendix F, Expense Element Definitions should be used by both communities in establishment of job order numbers.

CHAPTER 5

FINANCIAL MANAGEMENT DOCUMENTS

A. GENERAL INFORMATION

Within the Navy's financial management and supply systems, the requirement exists for preparation of various documents to accomplish certain tasks, e.g., to order supplies which are Navy stock items, and to requisition items which are purchased commercially. The same document which is used to purchase or requisition an item which allows an activity to perform its mission is used as the official supporting documentation required to record the obligation of funds in the accounting system. The efficiency and accuracy of accounting systems depends upon correctly prepared documents. Activities preparing financial documents are responsible for the correct preparation of each document entered into the accounting and/or supply system. In the past, the OPTAR recordkeeper was faced with the requirement to understand and be capable of preparing numerous documents to accomplish the task of ensuring supplies and equipment required to perform the activities mission were available.

In an effort to standardize and consolidate financial documents, NAVCOMPT issued NAVCOMPTINST 7000.43 in July 1981. This instruction promulgated NAVCOMPT forms 2275 and 2276 as replacements for many purchase/requisition documents. The next section details these forms and the circumstances in which they should be used. In addition, two other forms, DD 1348 and SF 44, frequently used at the OPTAR level are discussed. Instructions for completion of all of these forms (with the exception of the DD 1348) and an example of each are included in Appendix G. The complexity of the DD 1348 and the requirement for reliance upon the NAVSUP P-485 (Afloat Supply Procedures) and the NAVSUP P-437 (Military Standard Requisitioning and Issue Procedures) is beyond the purview of this handbook. Each OPTAR recordkeeper will have copies of these manuals available for reference purposes.

B. PURCHASE/REQUISITION DOCUMENTS

1. NAVCOMPT Form 2275

The Order for Work and Services (NAVCOMPT 2275) is to be used by all operating budget holders and OPTAR holders

whenever the primary requirement is for work and/or services and such work and/or services will be performed by the recipient. This form will be used for requesting work and/or services from any activity or organization of the U. S. government. The form may also be used for the purchase/procurement, or requisitioning from stock, of material incidental to the performance of the work or services requested. An example of appropriate utilization of the NAVCOMPT 2275 by an OPTAR holder is requesting repair services for an official Navy vehicle from a nearby government vehicle maintenance activity (e.g., Public Works Department at an NAS). The NAVCOMPT 2275 is designed to replace all forms previously used for reimbursable work order transactions.

2. NAVCOMPT Form 2276

The Request for Contractual Procurement (NAVCOMPT 2276) is to be used by all operating budget holders and OPTAR holders whenever the requirement exists for material or services and such material or services will be satisfied by contracts placed with commercial enterprises. This form will also be used for requesting contractual procurement from any activity or organization of the U. S. government. Examples of appropriate utilization of the NAVCOMPT 2276 by OPTAR holders are:

a. requesting one time procurements, which normally involve singular or a very limited number of funds citations and result in only one contract being issued to completely satisfy the items or services requested.

b. requesting items or services available under General Services Administration (GSA) Federal Supply Schedules (FSS).

c. requesting items or services available under basic ordering agreements (BOA's) or blanket purchasing agreements (BPA's).

d. requesting the maintenance, alteration, or repair of real property.

For OPTAR holders at activities located on or near a base with a supply department (e.g., NAS) or field purchasing office the NAVCOMPT 2276 is forwarded to this office. The actual documents for procurement are then prepared by the supply department/field purchasing office. For OPTAR holders at activities not located on or near a base with a supply department or field purchasing office the NAVCOMPT 2276 is maintained in official command files after

approval and signature of the activity commanding officer or other authorizing official is received. The OPTAR recordkeeper (or storekeeper, if different individuals) then prepares the procurement document (e.g., NAVCOMPT 1155) and secures the desired material or services.

3. DD Form 1348

The DOD Single Line Item Requisition System Document (DD 1348) is to be used by all operating budget holders and OPTAR holders whenever the primary requirement is for material/supplies and such material/supplies will be obtained from stock items available through the Navy's supply system. The DD 1348 is then forwarded to the activity's designated supply activity.

4. Standard Form 44 (SF 44)

The Purchase Order - Invoice - Voucher (SF 44) is to be prepared by Aviation Squadron OPTAR holders for utilization by pilots of aircraft on extended flights when fuel, material, or services are not available through normal supply channels. The amount of an individual purchase cannot exceed \$2,500 except for purchase of aviation fuel outside the continental United States, in which case, the limit is \$10,000. The original is returned to the squadron OPTAR recordkeeper immediately upon the pilots return to allow for accurate posting to the memorandum records.

C. DOCUMENT NUMBERS AND ACCOUNTING CLASSIFICATIONS

In 1976 the Comptroller of the Navy issued NAVCOMPT Instruction 7300.99C which promulgated the Navy standard document numbering system and provided for its use. The objective of this standardization was to ensure that each document used in financial transactions and each accounting classification cited thereon could be uniquely identified. Operating budget holders and OPTAR holders who prepare financial documents for the purpose of obtaining materials or services not available through the supply system are required to use the Standard Document Number (SDN) and must, therefore, know how to construct this number. In addition to the SDN, these individuals are required to know how to construct the Military Standard Requisition and Issue Procedures (MILSTRIP) document number for requisitioning items from the supply system.

Each document prepared for input into the Navy's accounting system must also include a line of accounting classification data. This data includes all information

required to classify the final expenditure of funds resulting from this document as to the type or purpose and to designate the activity responsible for recording and maintaining official records of these expenditures.

Instructions on the construction of SDN's, MILSTRIP Numbers, and lines of Accounting Classification data are located in Appendix G. This Appendix also includes a list of document types and the codes assigned to them by NAVCOMPT. The inclusion of these items, in addition to examples of and instructions for completing three of the four most common financial management documents used for purchases/requisitions, makes Appendix G an effective desk guide for the OPTAR holder with no prior experience in this area.

CHAPTER 6

SUBMISSION OF FINANCIAL MANAGEMENT TRANSMITTALS

A. GENERAL INFORMATION

While the correct preparation of financial management/purchase documents is fundamental to the efficiency and accuracy of official accounting records and reports, the accurate and timely submission of the commitments/obligations resulting from the issuance of these documents is essential. It is imperative that operating budget holders and OPTAR holders submit obligations to RESFIPC immediately upon establishment of the obligation in OPTAR memorandum records. RESFIPC has promulgated transmittal documents which are required for submission of financial data to ensure entry in the RMS system. Operating budget holders are required to submit transmittal documents to RESFIPC if they do not possess direct-on-line computer input capability. This capability is programmed to be provided to all operating budget holders as rapidly as economic and operational conditions allow. The CRT screen format used for on-line input is the same as the manual transmittal form, thus alleviating transition retraining delays.

OPTAR holders at activities with a supply department which possesses on-line requisitioning capabilities (e.g., NAS) are not required to complete the obligation transmittal forms for the following reasons:

a. Submission of the DD 1348 to the supply department and subsequent supply department entry into the UADPS-Disk Oriented Supply System (DOSS) for requisitioning creates an automatic obligation in official accounting records through programmed interfaces.

b. Submission of the NAVCOMPT 2275 and NAVCOMPT 2276 to the supply department results in the forwarding of copies of official obligation documents to the activity comptroller for on-line obligational input.

c. The OPTAR recordkeeper forwards the SF 44 to the activity comptroller upon return of the flight crew. The comptroller then establishes the obligation.

OPTAR holders at activities without a supply department with on-line requisitioning capabilities (e.g., Surface Reserve Center) are required to complete one of the three transmittal forms designated by RESFIPC for each obligation.

These forms are to be submitted to the operating budget holder in a timely manner (i.e., at least once per week). A transmittal log will be maintained by the OPTAR recordkeeper for each type of transmittal in accordance with instructions provided in Appendix H. The criteria to be used in determining the proper form and the responsibilities of OPTAR recordkeepers regarding each form are detailed in the following paragraphs.

B. TRANSMITTAL FORMS

1. Purchase with PIIN (NAVRESUPPOFC Form 7300/8)

The Purchase with PIIN transmittal form is used to submit all obligations for which the final disbursement of funds will be a check issued by RESFIPC. This category includes everything for which a NAVCOMPT 2276 is prepared, and everything for which an SF 44 is prepared by an operating budget holder at a Reserve NAS. The form is entitled Purchase with PIIN because the government is purchasing supplies, materials, or services from commercial activities. The PIIN (Procurement Instrument Identification Number) is essentially the contract number of the procurement document (e.g., NAVCOMPT 1155) and is required for all obligations submitted to the Integrated Disbursing and Accounting (IDA) system. IDA is the system used by RESFIPC for the concurrent accounting and disbursing of O&M,NR Appropriation funds.

The OPTAR recordkeeper will complete the Purchase with PIIN transmittal form in accordance with instructions in Appendix H and submit it to the operating budget holder. In order to ensure an audit trail exists for all obligation transmittals, the recordkeeper will maintain a Purchase transmittal log which lists transmittal serial number (prefaced by P) and the date submitted to the operating budget holder. Copies of documents for which obligations are transmitted will remain in official command files at the OPTAR recordkeeper level for audit purposes.

2. Non-Purchase (NAVRESUPPOFC Form 7300/7)

The Non-Purchase transmittal form is used to submit all obligations for which the final disbursement of funds will not be a check issued by RESFIPC. This category includes everything for which a DD 1348 is prepared, NPPSO printing requisitions, and travel orders and intra-Navy RWO's prepared by operating budget holders. The form is entitled Non-Purchase because the government is acquiring materials, supplies, and/or services from another government

source which will result in a transfer of funds accomplished via accounting system interfaces rather than through issuance of a check. In the case of a travel order, a check is issued by another Navy disbursing activity and a subsequent computer transfer of disbursement information results.

The Non-Purchase transmittal form will be completed in accordance with instructions in Appendix H and submitted to the operating budget holder. In order to ensure an audit trail for all obligation transmittals the recordkeeper will maintain a Non-Purchase transmittal log which lists transmittal serial number (prefaced by N) and the date submitted to the operating budget holder. Copies of documents for which obligations are transmitted will remain in official command files at the OPTAR recordkeeper level for audit purposes.

3. Basic PIIN Data Card 1 (CNAVRES Form 5213/5)

The Basic PIIN Data transmittal form is used to submit increases or decreases to previously submitted obligations, cancel Purchase obligations, or correct a PIIN on a previously established obligation. The OPTAR recordkeeper will complete the Basic PIIN Data transmittal form in accordance with instructions in Appendix H and submit it to the operating budget holder. In order to ensure an audit trail for all obligation transmittals the recordkeeper will maintain a Correction transmittal log which lists transmittal serial number (prefaced by C) and the date submitted to the operating budget holder. Copies of documents for which corrections are transmitted will remain in official command files at the OPTAR recordkeeper level for audit purposes.

4. Document Action Request (CNAVRES Form 7330/1)

The Document Action Request (DAR) is used to submit variances identified in the MRR during the reconciliation process to the operating budget holder. Operating budget holders will also use the DAR to submit any variances which are not corrected at their level to RESFIPC and to submit cost transfer requests. The OPTAR recordkeeper will complete the DAR form in accordance with instructions in Appendix H and submit it to the operating budget holder. In order to ensure an audit trail exists for all DAR's, the recordkeeper will maintain a DAR transmittal log which lists transmittal serial number (prefaced by D) and the date submitted to the operating budget holder. Copies of documents for which DAR's are transmitted will remain in official command files at the OPTAR recordkeeper level for

audit purposes. If a copy of the document is required to clarify the explanation, a copy will be forwarded with the DAR.

It is the responsibility of the OPTAR recordkeeper to ensure that all of the transmittals mentioned in this chapter are accurately completed and submitted to the operating budget holder, in a timely manner, to ensure the currency of data reflected in official accounting reports. Without this effort on the part of the OPTAR recordkeeper, management control of the O&M, NR Appropriation at higher echelons will be inadequate.

CHAPTER 7

OPTAR MEMORANDUM RECORDKEEPING

A. GENERAL INFORMATION

OPTAR holders (e.g., Commanding Officers of Surface Reserve Centers or Department Heads at NAS's) have the responsibility of assuring proper stewardship of authorized funds. Caution must be exercised in the administration of funds to ensure efficient procurement of materials and services used in the daily operations performed in support of the mission of the activity. The OPTAR holder must maintain a constant, cost-conscious attitude, attempting to achieve the most efficient and effective utilization of funds. Accountability is essential to any stewardship and requires the complete and accurate maintenance of financial records and files. While the Commanding Officer maintains the responsibility and accountability for funds, the actual recordkeeping procedures are assigned to the OPTAR recordkeeper. The records which are maintained by the OPTAR recordkeeper are called Memorandum Records. Various methods have been used in the past in the maintenance of memorandum records and the subsequent procedures and formats used for monthly status of funds reports to operating budget holders and monthly reconciliation of memorandum records with the official accounting reports issued by the activity's FIPC.

As a result of the COMNAVRESFOR Comptrollers actions to standardize the procedures used throughout the Naval Reserve claimancy, standard logs and reports, along with standardized methods of preparing both were developed. All Naval Reserve recordkeepers will be required to use the standardized forms and procedures detailed in Appendix I for memorandum recordkeeping and status of funds and reconciliation report preparation and submission. The remainder of this chapter explains the purpose and importance of each of the required memorandum logs and monthly reports submitted to operating budget holders.

B. DOCUMENT CONTROL LOG (COMNAVRESFOR FORM DDDD/D)

Two Document Control logs are maintained by each OPTAR recordkeeper. One is used for recording all requisitions issued with MILSTRIP document numbers and the other for recording all documents issued with Standard Document Numbers. The purpose of entering every document issued on these logs is to avoid the possibility of issuing documents with duplicate document numbers. The Document Control log

becomes a good single source for information regarding descriptions of items purchased, who they were purchased from, when the obligations were submitted to RESFIPC and when disbursement of funds for payment of invoices was reflected in the official accounting records (MRR). The OPTAR recordkeeper must periodically examine all obligations outstanding to ensure their continued validity. The Document Control log provides a single location to identify all outstanding obligations. If the log is maintained in accordance with instructions in Appendix I, the status column will remain empty until funds are reflected as disbursed on the MRR. Therefore, when reviewing outstanding obligations the OPTAR recordkeeper need only examine those for which no entry is posted in the status column.

C. OPTAR LOG (COMNAVRESFOR FORM 0000/O)

One OPTAR log is maintained for each SAG and SUBSAG for which funds are provided in Target Advices (administrative allocation of funds to OPTAR holders) received from operating budget holders. The purpose of this is to ensure that memorandum records are maintained in the same format as the MRR to accomodate the reconciliation process which is performed on a monthly basis.

Each document entered on the Document Control log is also posted on the OPTAR log established for the SAG and SUBSAG to which the resulting expenditure will be applied. The OPTAR log is the control document used by the OPTAR recordkeeper to record all obligations and resulting expenditures and thus ensure funds are not overobligated. The OPTAR log will be maintained in accordance with instructions provided in Appendix I.

D. STATUS OF FUNDS (COMNAVRESFOR FORM SSSS/S)

Because of the inherent delay in posting of transactions at RESFIPC the month end official accounting reports do not reflect the actual obligation rate of O&M,NR Appropriated funds claimancy wide. For planning and control purposes the COMNAVRESFOR Comptroller must remain apprised of the actual obligation rates of operating budget holders with O&M,NR Appropriation funds.

The OPTAR recordkeeper is therefore required to prepare the Status of Funds report in accordance with instructions provided in Appendix I and submit to the operating budget holder by the third working day of each month. This report reflects the actual obligations established against each SAG

and SUBSAG provided in the OPTAR. Submission of this report allows the operating budget holder to consolidate all OPTAR holder's funds status and provide an actual status of operating budget funds to COMNAVRESFOR as required on a monthly basis.

E. RECONCILIATION REPORT (COMNAVRESFOR FORM RRRR/R)

The MRR prepared by RESFIPC on a monthly basis is a detailed account of all of the obligations and expenditures which have been included in the official accounting system and official reports provided to COMNAVRESFOR and NAVCOMPT.

Human error can and does occur either in postings to OPTAR logs or recording of obligations and expenditures to the official accounting records. Reconciling the OPTAR logs to the MRR at the end of each month will identify, to the OPTAR recordkeeper, any variances which exist. This allows the recordkeeper to research variances and initiate corrections to official reports (e.g., if an obligation was recorded for an invalid dollar amount), or make corrections in OPTAR logs to ensure they reflect an accurate status of funds (e.g., if addition/subtraction errors occurred). It is imperative that this reconciliation be performed monthly in accordance with Appendix I so that the OPTAR holder (CO/Department Head) is assured of the remaining obligational authority in OPTAR.

Without the accurate maintenance of the Document Control and OPTAR logs, and preparation of Status of Funds and Reconciliation Reports the OPTAR recordkeeper cannot adequately provide the CO/Department Head with a timely and accurate status of funds available for utilization in the performance of the mission of the activity. Resultant inefficiencies in the stewardship of authorized funds and mission performance are inevitable. As a result, the CO/Department Head may be subject to possible disciplinary action for the improper administration of authorized funds.

MISCELLANEOUS TOPICS

A. GENERAL INFORMATION

There are numerous dimensions of the efficient management of the O&M,NR Appropriation which have not been previously discussed and require brief mention to ensure standardization throughout the Naval Reserve Claimancy. Each of these topics is an area which operating budget holders and OPTAR holders must consider in order to ensure efficient management of the O&M,NR Appropriation.

B. CENTRALLY MANAGED FUNDS

Operating budget holders are required to manage funds which are used for purposes which require their direct control because of their interest to the comptroller or their level of importance and visibility within the claimancy. The types of funds which will be centrally managed by Reserve Naval Air Station operating budget holders differ from other Reserve Activities due to the presence of a Public Works Department. Many of the funds which comptrollers at other Reserve Commands manage are included in the Public Works Department OPTAR. This requires close coordination between the Air Station Comptroller and Public Works Department in the management of these funds. Funds which will be centrally managed by operating budget holders are (* indicates Public Works at Works at an NAS):

BA-3 funds:

Civilian Labor

Travel

- * Telephones (excluding tolls)
- * Refuse and Trash Collections
- * Custodial Contracts
- * Pest Control Contracts
- * Bachelor Leased Housing
- * Security Alarm Contracts

- * Maintenance of Real Property
- Physicals/Continuing Education
- Recruiting
- Equipment
- Reimbursables

BA-1 Funds:

Security Groups

Those types of funds which require further explanation are as follows:

1. Civilian Labor

The operating budget holder's comptroller personnel are responsible for accurate assignment of all costs incurred on civilian payrolls of all OPTAR holders. The operating budget holder establishes all job order numbers and segments which are required to accomplish this task. OPTAR holders with civilian personnel assigned are required to provide either muster sheets (required from OPTAR holders at a remote location e.g., Surface Reserve Center) or completed time cards (provided by the comptroller to OPTAR holders at on site locations e.g., departments at NAS's) which have been signed by an authorizing official. Operating budget holders accumulate information from OPTAR holders and either prepare Labor Distribution cards for each employee, or prepare a Labor Distribution Summary Report (NAVRESSUPOFC Form 7420/1) for submission to RESFIPC in accordance with instructions provided in the RESFIPC Accounting Services Guide. The operating budget holder is also responsible for processing corrections to variances which appear on the labor variance listing distributed bi-weekly by RESFIPC. All instructions on accurate preparation of appropriate transmittal forms, in addition to labor submission cut-off dates are included in the RESFIPC Accounting Services Guide with additional guidance provided as necessary by RESFIPC Newsletters to operating budget holders.

2. Travel

OPTAR holders will request Temporary Additional Duty Orders from operating budget holders using locally prepared forms. Operating budget holders will then be responsible

for approval or disapproval of the request, and if approved, for completion of appropriate travel orders (i.e., TEMADD Travel Order (NAVPERS 1320/16) for military personnel and Request and Authorization for Temporary Additional Duty (DD Form 1610) for civilian personnel). In addition, operating budget holders are responsible for submission of obligations resulting from orders approved, and subsequent reconciliation of memorandum and official records. OPTAR holders are responsible for ensuring travelers submit travel claims immediately upon completion of travel and submit a copy of the liquidated travel claim to the operating budget holder upon receipt.

3. Telephones

OPTAR recordkeepers are required to maintain a log and assign authorization numbers to all long distance or collect calls. Operating budget holders may require the preparation of a special authorization form for each call, or may allow the recordkeeper to maintain required information on the authorization log. Regardless of the format used, the following information must be maintained:

- a. Name, Department, and extension of person placing call. (If a collect call use the extension on which call was accepted.).
- b. Name, Activity, and phone number of person called.
- c. Reason for and date and length of call.
- d. Authorizing signature.

OPTAR holders are required to estimate monthly toll charge obligations, assign a document number, and submit an obligation document to the operating budget holder the first of each month. Upon receipt of the invoice, the OPTAR recordkeeper is required to verify all calls charged against his authorization log, and prepare the Utility - Invoice Certification (NAVCOMPT Form 2061) and obtain Commanding Officer/Department Head signature for the following statement:

"Pursuant to Section 4 of the Act on May 10, 1939 (53/STAT. 738: U. S. Code 680A), I certify that the use of the telephone for official long distance calls listed herein was necessary in the interest of the Government".

This certification will be immediately forwarded to the operating budget holder.

4. Maintenance of Real Property (MRP)

OPTAR holders will be provided with a specific dollar amount of funds (usually small, e.g., \$500.00 per quarter) which they will be responsible for managing. Any requests for MRP projects which are larger in scope must be submitted to the facilities maintenance officer at the operating budget holder (e.g., Code 07 at Readiness Commands and Public Works at NAS's) on the Resources Request Form (CNAVRES 4790/20). If approved, funds management becomes the responsibility of the operating budget holder.

5. Equipment

Operating budget holders are responsible for management of funds for equipment (e.g., training aids, furniture, and labor saving devices) required by OPTAR holders. The equipment OPTAR may be managed by the Supply department if so desired. Requests for equipment will be submitted to the Supply department of the operating budget holder on the Resources Request Form (CNAVRES 4790/20). If approved, management of the funds becomes the responsibility of the designated operating budget holder department. There might arise instances in which it is more efficient to procure certain equipment at the OPTAR holder level. When these cases arise, the operating budget holder will issue a target advice to the OPTAR holder providing the funds with which to make the purchase.

6. Reimbursable Orders (RWO's)

Often the situation arises when a Naval Reserve Activity desires to acquire materials, work, and/or services from another government organization. In these cases, the financing of the materials, work, and/or services is accomplished through the transmission of a reimbursable order (which carries a funding citation and sets specific dollar limitations) to the performing activity. Upon acceptance, the performing activity increases its obligational authority availability by the amount of the reimbursable order.

Reimbursable orders which are most commonly used by Naval Reserve Operating budget holders are an Economy Act Order (formerly called a work request) and a Project Order. While both of these are initiated using the NAVCOMPT Form 2275, Order for Work and Services, there is a distinction between the two which the operating budget holder must understand:

a. Economy Act Orders are used to finance routine services which are requested by one command of another such as utilities (if a tenant activity of a base or station), photographic services, and other similar services. The utilization of an Economy Act Order limits the availability of resources provided to the normal obligational authority of the financing appropriation. Normally a new set of Economy Act Orders will be submitted each year to finance a new fiscal year's services.

b. Project Orders are used to finance work or services which are more like those resulting from a firm contract. The requesting activity desires the performing activity to provide specific tasks or complete specific projects such as long term maintenance of real property "contracts". The resources provided under a Project Order are available for obligation and expenditure by the performing activity until lapse of an appropriation.

Operating budget holders are responsible for issuing all RWO's and maintaining financial records on all RWO's of all of their OPTAR holders. The only exception is one time requests for services (e.g., a request from a Surface Reserve Center for maintenance on a Navy vehicle provided by a Public Works Department at a nearby NAS). All submission of financial documents will be by the operating budget holder, as will any negotiations or discussions arising as a result of the reimbursable order. Complete instructions for financial actions required by the operating budget holder in the management of RWO's are included in the RESFIPC Accounting Services Guide.

C. CERTIFICATION OF INVOICES

The basic purpose of the certification process is for the receiving activity to provide a certificate to the disbursing officer that the quantities of materials or services received were inspected, conformed to the terms of the contract, and accepted. Each invoice forwarded to RESFIPC must be certified and attached to the original procurement document and the RESFIPC Prompt Payment Act (PPA) Certification. Instructions for completion of the PPA Certification and identification of appropriate forms to be forwarded to RESFIPC are contained in Appendix J.

OPTAR holders must remember that an obligation must be established in the Integrated Disbursing and Accounting (IDA) System prior to payment of invoices. If the established obligation is not enough to cover the total cost indicated on the invoice, a Basic PIIN Data transmittal must

be included with the invoice to increase the obligation to invoice amount.

The Cash Management Policy of the Navy directs that invoices offering discounts of more than one percent (1%) in ten days, or whose aggregate dollar discount is more than \$15.00 (regardless of terms) must be expedited. This will be accomplished by completing NAVCOMPT Form 442 and attaching it to the upper left hand corner of the invoice package for ease in identifying those invoices with discounts upon receipt at RESFIPC. The NAVCOMPT Manual grants paying offices the discretion of normal processing when the cost to them of expediting an invoice exceeds the discount. Therefore, OPTAR memorandum records should not be adjusted until the disbursement is reflected in the MRR with the discount applied.

While NAVSUP Manual para. 23109 and NAVSUP P-485 para. 4335 allow ten days for certification of invoices after receipt, it will be the policy of COMNAVRESFOR that invoices will be certified and forwarded to the RESFIPC by OPTAR holders within 48 hours of receipt.

D. GASOLINE OBLIGATIONS

For OPTAR holders who are assigned government vehicles (e.g., Surface Reserve Centers) recordkeepers are required to establish a quarterly obligation for gasoline charges. The obligation is submitted on the Purchase Transmittal to the operating budget holder at the beginning of each quarter. Invoices for gasoline purchased in that quarter will be certified, assigning the document number under which the obligation was established, and forwarded to RESFIPC for payment.

E. CONTRACT BERTHING

Some OPTAR holders are required by BUPERSINST 5400.42F to provide contract berthing for certain drilling Selected Reservists. Those OPTAR holders will establish Blanket Purchase Agreements (BPA's) with local motels to provide this service. The OPTAR recordkeeper will establish an obligation for each call on the BPA (i.e., for each weekend berthing is reserved). Upon receipt of the invoice the recordkeeper will verify number of rooms used and total cost against his records, certify the invoice, and forward to the operating budget holder for action. Operating budget holders "fence" contract berthing funds provided in OPTARS and require the information contained on these invoices to

maintain accurate records at their level. If an increase in the previously established obligation is necessary, the Basic PIIN Data Transmittal will be completed and forwarded at the same time by the OPTAR recordkeeper.

F. BA-1 TRAVEL

Reserve Aviation Squadrons are required to perform flight operations on a regular basis in support of their mission. Funding for this type of travel is provided by the BA-1 (Mission Forces) budget activity of the appropriation. The frequency of previously unscheduled travel and the short lead times for preparation precludes requesting orders from another department. Therefore, the operating budget holder assigns an OPTAR to Squadrons for BA-1 travel at the beginning of each quarter. The OPTAR recordkeeper is responsible for assigning accounting data to all travel orders and maintaining memorandum records for the OPTAR. At least once a week, the OPTAR recordkeeper will forward a copy of all orders cut to the operating budget holder for obligation. OPTAR holders are responsible for ensuring that travelers submit travel claims immediately upon completion of travel and provide a copy of the liquidated claim to the OPTAR recordkeeper immediately upon receipt to ensure the memorandum records are maintained accurately.

G. MILITARY SERVICE REPORT

Operating budget holders are required to submit the Military Service Report (NAVCOMOPT Form 2182) to COMNAVRESFOR by the tenth of the month for each month, and the Military Services Distribution Form (NAVRESUPPOFC 7300/9) to RESFIPC by the twentieth of each month. Military labor costs will be computed by identifying the number of active duty military personnel (by rank and rate) on board each OPTAR/Cost Center as of the first of the month. The dollar figures to be used will be obtained by applying the composite standard military rates (identified in the current NAVCOMPT NOTE 7041) to the number of military personnel assigned. The Military Services Distribution Form also requires man hours worked and job orders to which the costs will be assigned. Detailed instructions for the completion of the form is in RESFIPC Accounting Services Guide. The dollar total of the Military Services Report must equal that on the Military Services Distribution Form.

While the items covered in this chapter are currently of importance to COMNAVRESFOR it is possible that other miscellaneous special interest items may arise which require

standardization throughout the claimancy. When this occurs, COMNAVRESFOR will issue additions to this chapter or this handbook.

APPENDIXES

APPENDIX A

TERMS AND DEFINITIONS

Activity Group: A two character code showing the major operational areas desired by claimants for the administration of funds under RMS.

Appropriation: A part of an Appropriation Act providing a specified amount of funds to be used for designated purposes. Appropriations are divided into budget activities and further divided into sub-activities, programs, projects, and elements of expense.

Authorization Accounting Activity: An activity designated by the Comptroller of the Navy to maintain official accounting records and submit official accounting reports for another shore activity.

Budget: A planned program for a fiscal period in terms of (a) estimated costs, obligations, and expenditures, (b) source of funds for financing, including reimbursements anticipated, and other resources to be applied, and (c) historical and projected workload data for the anticipated programs and activities.

Budget Activities: Functions or areas to be funded by an individual appropriation which are identified by subheads.

Budget Authority: Authority provided by law to enter into obligations which generally result in immediate or future outlays of Government funds.

Cost Account: Accounts established to classify transactions by cost, according to the purpose of the transactions. Cost Account Codes are used to identify uniformly the contents of management accounting reports.

Cost Center: An organizational subdivision of a field activity or responsibility center for which identification of homogenous costs is desired.

Expense Element: Alphabetic codes used to identify specific kinds of resources used in operations.

Financial Information Processing Center: An activity designated by the Comptroller of the Navy to perform accounting and disbursing functions for another shore activity.

Functional Categories: The first subordinate classification below program element representing a grouping of operations or tasks related to the performance of a particular function, i.e., Base Services.

Job Order: An eleven character alpha/numeric code used to identify and accumulate charges and costs in official accounting records.

Memorandum Records: Unofficial accounting records maintained at the field activity to be used for reconciling to official accounting reports.

New Obligational Authority: Authority becoming newly available for a given year; provided by current and prior actions of the Congress enabling agencies to obligate the Government to pay out money.

Object Classification Codes: Three characters identifying transactions by types of services as distinguished from functions.

Reimbursables: Services or materials furnished by one field activity for another for credit to an appropriation.

Resource Management System: The system implemented by the Department of Defense to integrate accounting and reporting with programming and budgeting under the Planning, Programming, and Budgeting system.

Sub-Activity Group: A two character code identifying more detailed operational areas within an activity group.

Subfunctional Categories: A more detailed grouping of operations or tasks within the functional categories.

Subhead: A four digit numeric or alpha/numeric code identifying the first level subdivision of an appropriation, (Budget Activity), used primarily for administration, accounting, and control of an appropriation.

APPENDIX B

BUDGETING

A. COMNAVRESFOR/OPERATING BUDGET HOLDER BUDGET CALLS

The COMNAVRESFOR P-7100 Budget events calendar identifies March as the period for issuing the Budget Call to Echelon four Commands (Operating Budget Holders). The specific dates and events will vary from year to year depending on direction from higher authority. Immediately upon receipt of the COMNAVRESFOR Budget Call the Operating Budget holder Comptroller will issue a budget call to all OPTAR holders. This budget call will include:

1. policy and guidance extracted from the COMNAVRESFOR budget call;

2. Annual Planning Figure (APF) for the current year (i.e., the fiscal year currently being executed plus 1, e.g., in March 85, the current year (CY) is fiscal year 85 plus 1, or, fiscal year 86) and the budget year (i.e., the fiscal year currently being executed plus 2, e.g., in March 85, the budget year (BY) is fiscal year 85 plus 2, or, fiscal year 87).

3. Any of the exhibits included in the COMNAVRESFOR Budget call for which data must be obtained from OPTAR holders, in addition to instructions for completion of the applicable exhibits. Examples of exhibits which are currently required by COMNAVRESFOR P-7100 are Active Duty Travel Budget Input, Performance Criteria Input, and Administrative Telephone Costs Input. For those funds which are centrally managed, such as Active Duty Travel, the operating budget holder may design any form which requests data that the comptroller will use in formulating the budget request for those funds.

4. The date OPTAR holders are required to submit Budget Requests to operating budget holders to enable them to consolidate all OPTAR requests into a single operating budget request and forward to COMNAVRESFOR by their deadline.

Operating budget holders will provide OPTAR holders with APF for current year and prior year on COMNAVRESFOR form SSSS/S, identifying planning figures for each SAG and SUBSAG which will be included in the OPTAR. This form will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
first blank line	enter Annual Planning Figure/ Budget Request.
BA	enter BA-1 or BA-3 as appropriate.
FY	enter last 2 digits of the FY to which the APF apply.
Segment	enter the OPTAR/Cost Center segment assigned to the applicable OPTAR/ Cost Center.
From	enter your activity name followed by a "/".
To	enter applicable OPTAR/Cost Center name followed by a "/".
Month ending	enter date forwarded to OPTAR holder.
SAG/SUBSAG	list all SAG's and SUBSAG's which are applicable to the OPTAR/ Cost Center.
Authorized	enter the APF applicable for each SAG and SUBSAG line.

The remainder of the form will be completed by the OPTAR holder and returned to the operating budget holder. An example of the form is provided following the next section (page B-).

B. OPTAR HOLDER BUDGET INPUTS

1. Budget Request (COMNAVRESFOR FROM SSSS/S)

OPTAR holders will be required to use the COMNAVRESFOR Form SSSS/S provided by the operating budget holder (with APF indicated) for their budget requests. This form (page B-) will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
From	enter your OPTAR/Cost Center name following the "/".

To	enter your operating budget holder name following the "/".
Obligations / Funds Requested	enter your budget request for each grouping of expense elements on the appropriate SAG and SUBSAG line.
Total	enter the total funds you are requesting for each SAG and SUBSAG line
Balance	enter the difference, if any, between the APF indicated in the Authorized column and the funds you requested indicated in the total column.
	If the entry in this column is \$500 or 50% of the APF (whichever is less) this must be supported by an O&M,NR Unfunded Requirement submission. (see next section for instructions on completion of this form).
Prepared by	enter OPTAR recordkeeper name.
Date Submitted	enter date forwarded to operating budget holder.
Approved	obtain signature of Commanding Officer/ Department Head.

MONTH ENDING XXX XX

BA - 3 FY - XX

[illegible]

2. O&M,NR Unfunded Requirement (COMNAVRESFOR Form UUUU/U)

OPTAR holders will complete an O&M,NR Unfunded Requirement form for each SAG and SUBSAG for which a balance of \$500 or 50% of the APF (whichever is less) appears in the Balance column of the Budget Request Form. All Unfunded Requirements for each OPTAR holder for each FY will be ranked in priority order of importance. COMNAVRESFOR Form UUUU/U (page B-) will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
OPTAR/Cost Center	enter your OPTAR/Cost Center name.
FY	enter the last 2 digits of the FY to which the form applies.
BA	enter BA-1 or BA-3 as appropriate.
Date	enter date forwarded to your operating budget holder.
A. Brief Description	enter description of the Unfunded Requirement (40 characters-max).
SAG/SUBSAG	enter the SAG and SUBSAG to which the form applies.
Priority	enter the assigned priority number
B. Amount Unfunded	enter the amount of your budget request which is unfunded under the expense element grouping to which it applies.
Total	enter the total Unfunded Requirement for each SAG and SUBSAG. (This figure will be equal to the figure in the balance column of the Budget request for the appropriation SAG and SUBSAG.).
C. Identification of Requirements	enter appropriate information.
D. Impact if Request not Funded	enter appropriate information.

E. Requirement
Computation

enter appropriate information.

O&M,NR UNFUNDED REQUIREMENTS

OPTAR/Cost Center _____ FY _____ BA _____ DATE _____

A. Brief Description (40 Char max) SAG/SUBSAG Priority

B. Amount Unfunded (dollars)

Supplies T	Equipment/ ADVLR W,2	Furniture/ Travel W,E	D,M,N,P,Q F,G,H,K,L	Fuel/Print R,S,V,Y	Total
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

* C. Identification of Requirement:

D. Impact if requirement not funded:

* E. Requirement Computation (specify quantities, unit prices, consumption per month, etc., as applicable. Show computations).

* of Critical importance

COMNAVRESFOR UUUU/U

O&M,NR UNFUNDED REQUIREMENTS

3. Additional Exhibits

The OPTAR recordkeeper will be required to complete all additional exhibits which the operating budget holder includes in the budget call. Detailed instructions for completion of all pertinent exhibits will be included by the operating budget holder in the budget call package.

C. MID-YEAR REVIEW

The COMNAVRESFOR P-7100 Budget events calendar identifies February as the period for submission of mid-year review inputs from operating budget holders to COMNAVRESFOR. This requires operating budget holders to obtain mid-year review inputs from their OPTAR holders in the December/January time frame to enable them to consolidate all OPTAR inputs into the operating budget mid-year review package. The purpose of this review is to enable operating budget holders to update financial plans and provide COMNAVRESFOR with a current report on utilization of the prior fiscal year funding. The mid-year review will be accomplished using the same forms and procedures which are established for the operating budget holder budget call. The major difference is that the fiscal year currently being executed will be considered in the mid-year review. The operating budget holder may also request changes to the current year and budget year APF previously established in this process.

D. FINANCIAL PLAN UPDATE

The COMNAVRESFOR P-7100 Budget events calendar identifies August as the period for submission of the Financial Plan Update from operating budget holders. The purpose of this update is to enable the operating budget holder/COMNAVRESFOR to ensure OPTAR holders/Operating budget holders have used funds as anticipated for the fiscal year currently under execution. Operating budget holder comptrollers will usually prepare this update without requesting input from OPTAR holders. If, however, input from OPTAR holders is required, it will be accomplished using the same forms and procedures which are established for the mid-year review. If an OPTAR/Cost Center has not used funds as expected (i.e., if obligation rate is 70% vice the desired 99%) the operating budget holder may reprogram some of the funds to other OPTAR/Cost Centers with a definite need for funds.

E. OPERATING TARGET ADVICES (COMNAVRESFOR FORM TTTT/T)

Operating budget holder comptrollers will use the Operating Target Advice form to provide obligation authorization to OPTAR holders. This form will be used to issue each quarterly advice in addition to documenting any reprogramming of funds between SAG and SUBSAG's and providing additional obligational authority between quarterly target advices. The form (page B-) will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
Appropriation 17__1806.____	enter the last digit of the FY in the first blank. enter the appropriate subhead in the second blank.
BA	enter BA-1 or BA-3 as appropriate.
FY	enter the last 2 digits of the FY.
Segment	enter the OPTAR/Cost Center segment assigned to the applicable OPTAR/Cost Center.
From	enter the operating budget holder name.
To	enter the applicable OPTAR/Cost Center name.
Advice #	enter the serial number of the advice. (i.e., each time a quarterly advice or a change is prepared it is assigned a consecutive serial).
Date	enter the date forwarded to the OPTAR/ Cost Center.
SAG/SUBSAG	Quarterly Advice - list all SAG's and SUBSAG's which are applicable to the OPTAR/Cost Center. Reprogramming & Addition - list only the SAG's and SUBSAG's affected by the advice.

Description	enter the name of the SAG and SUBSAG.
Previous	1st Advice - enter Ø for each SAG and SUBSAG line. Subsequent Advices - enter the current obligational authority for each SAG and SUBSAG listed.
Adjustment	enter the change in obligational authority provided by this advice.
Total	enter the New Obligational authority for each SAG and SUBSAG line (this is the sum of previous and adjustment).
Remarks	enter any explanation remarks (e.g., if obligational authority is for a specific purpose, so indicate).
Totals	enter the sum of all entries in each column.
Approved	obtain the signature of the comptroller.

Each time a new advice is provided to an OPTAR holder, the operating budget holder financial management personnel are required to complete an OPTAR Authorization Input form (NAVRESUPPOFC 7300/6). Submission of this form to RESFIPC and subsequent entry into official accounting records provides the obligational authority which is reflected on the MRR. An example of, and instructions for preparation of the OPTAR Authorization Input Form are included in the RESFIPC Accounting Services Guide.

OPERATING TARGET ADVICE, APPROPRIATION 17, 1966, DA FY 1 DOCUMENT -

FROM:

TO:

ADVICE # DATE

SAG/SUBSAG DESCRIPTION	PREVIOUS	ADJUSTMENT	TOTAL	REMARKS
				1. THE AMOUNT INDICATED IN THIS ADVICE HAS BEEN ESTABLISHED AS SHOWN AND MUST NOT BE EXCEEDED. IF THE AMOUNT IS DETERMINED TO BE INADEQUATE AN INCREASE IN THE OPERATING TARGET SHOULD BE IN ACCORDANCE WITH ESTABLISHED PROCEDURES.
				2. THE OPERATING BUDGET HOLDER IS LEGALLY RESPONSIBLE UNDER 31 U. S. CODE 1517 FOR ALL OBLIGATIONS INCURRED UNDER THIS OPERATING TARGET. A SUBORDINATE AUTHORIZED TO OBLIGATE FUNDS AGAINST A TARGET (OPTAR HOLDER) IS SUBJECT TO COMMAND OF ADMINISTRATIVE PENALTIES FOR MALADMINISTRATION.
				3. FUNDS MAY NOT BE REPROGRAMMED BETWEEN SAG/SUBSAG'S WITHOUT APPROVAL FROM THE OPERATING BUDGET HOLDER. FUNDS MAY BE REPROGRAMMED BETWEEN EXPENSE ELEMENTS WITHIN A SAG/SUBSAG (I.E., SUPPLIES, PRINTING, ETC.) EXCEPT FOR EQUIPMENT/FURNITURE WHICH MUST BE APPROVED BY THE OPERATING BUDGET HOLDER CONTROLLER.
TOTALS				APPROVED:

BY DIRECTION

COMNAVRESFOR TTTT/T

OPERATING TARGET ADVICE

F. RESOURCES REQUEST (CNAVRES FORM 4790/20)

The Resources Request Form will be used by OPTAR holders when requesting additional funding from the operating budget holder throughout the year, or when requesting reprogramming of funds between SAG and SUBSAG's. The form (page B-) will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
From	enter your OPTAR/Cost Center name.
To	enter your operating budget holder name.
Date	enter date forwarded to operating budget holder.
Request For	enter an "X" in the appropriate block.
Project title	enter Reprogramming if for that purpose.
	enter Additional funds if for that purpose.
Requirement	enter details of the desired action
Justification	enter an explanation of reasons supporting the desired action and impact if not approved.
Proposed Method of Accomplishment.	enter "X" if applicable.
Encls	enter "X" if applicable.
Similar Req Prev Submitted?	enter "X" if applicable. If yes, enter date of submission.
Annual Ins Item?	enter "X" if applicable.
Est Cost	Reprogramming - leave blank.
	Additional funds - enter dollar amount requested.

Est Basis

leave blank.

Signature of OPTAR
Holder

type in name and obtain signature
of Commanding Officer/ Department
Head.

The Resources Request form will be submitted to the operating budget holder who will approve or disapprove the request, fill in the information requested on the bottom of the form, and provide a copy of the form to the OPTAR holder. In the event funds are required and adequate time does not exist to complete this process, a phone request can be made for required funds or reprogramming of funds. If approved, however, the form must be prepared and submitted to provide documentation of the transaction and a subsequent audit trail.

RESOURCES REQUEST
CNAVRES 4790/20 (Rev. 6-78) S/N 0117-LF-047-9100

FROM (Activity) TO DATE

REQUEST FOR

☐ Electronic Maint. Assistance ☐ Facilities ☐ Equipment ☐ Other (Specify)

Project Title (Name, Description and Serial Number of Equipment)

Requirement (Complete Description of Existing Conditions)

Justification (Impact if Deferred or not Approved)

Proposed Method of Accomplishment ☐ Other (Specify)
☐ Station Force ☐ Civilian Contractor

Encis. <input type="checkbox"/> Yes <input type="checkbox"/> No	Similar Req. Prev. Submitted? (Date:) <input type="checkbox"/> Yes <input type="checkbox"/> No	Annual Insp. Item? <input type="checkbox"/> Yes <input type="checkbox"/> No	Est. Cost	Est. Basis	Signature of OPTAR Holder
-----------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------	-----------	------------	---------------------------

ACTION TAKEN BY OPERATING BUDGET HOLDER

<input type="checkbox"/> Approved	<input type="checkbox"/> Deferred	Forwarded (W/Cy to Orig.)	To (Originator, if not forwarded to another command)
<input type="checkbox"/> Disapproved	<input type="checkbox"/> Returned for Amplifying Data		

Project No. ☐ 1st ☐ 2nd ☐ 3rd ☐ 4th ☐ Unprogrammed FY

Remarks:

Signature	Operating Budget Holder	Date
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U.S. GOVERNMENT PRINTING OFFICE: 1979-603-076/8431 2-1

RESOURCES REQUEST

APPENDIX C

THE MEMORANDUM RECORD REPORT (MRR)

A. MRR PURPOSE/OBJECTIVE

The Memorandum Record Report is a major attempt to simplify fund administrator reports and the reconciliation of official accounting records with local memorandum/OPTAR records maintained by dependent activities.

Generally RMS reports may be viewed in two groups. One group consists of the officially-defined accounting reports established by higher authority. All RMS systems produce reports in addition to those defined by higher authority and their format and data content vary from system to system. There is, however, considerable uniformity in the purposes served by these fund administrator reports. For example, each RMS system has the following reports in differing formats and containing different data elements:

1. A detailed listing of transactions processed during a specific period, usually a week or less.
2. A listing of all outstanding documents.
3. A report providing the status of reimbursable work orders.
4. A consolidated listing of expenditures, usually monthly or quarterly.
5. A job order cost report.

The format and content of these reports differ in different RMS systems. Much more importantly, however, to a fund administrator using these reports is that each of the five reports are available in different formats within the same RMS system. The MRR changes that. These five reports are consolidated into one simple report format eliminating the need to learn five separate reports. Audit trails between fund administrator reports and the official accounting reports are simplified by eliminating the five different audit trails from five different formats into the official accounting records.

Simplification is the main objective of the Memorandum Record Report. All memorandum records and OPTAR logs have two features in common:

1. They list all documents charged to an authorization.

2. They display the total amount of funds used on a document without regard to whether the amount is a consignment, commitment, undelivered order, expense accrual, or disbursement. Utilization of the MRR simplifies the reconciliation process at the OPTAR level because all pertinent information is available in one report.

B. MRR DESCRIPTION

1. Print Sequence. The MRR is available in two sequences commonly referred to as (1) job order sequence and (2) document number sequence. Specifically job order sequence gives the following print sequence within each operating budget:

Segment

LMSC

Job Order

Document

Since all RWO's are assigned a segment code beginning with an alphabetic character (and alphas sort before numerics) job order sequence puts all reimbursable segments before direct segments and in segment number sequence. Page breaks occur with each different segment and/or LMSC code.

Document number sequence lists all documents within an operating budget in strict document number sequence. Records without document numbers (e.g. labor records identified by GAD) are printed first.

The MRR will be distributed to OPTAR holders in Job Order Sequence. Should a verified need arise for document number sequence a request should be submitted to the operating budget holder for the OPTAR (e.g. Readiness Command or NAS Comptroller).

2. Totals. The MRR in job order sequence provides the following hierarchy of totals:

a. Document total

b. Job order total

- c. LMSC Labor and non-labor totals
- d. Segment total by expense element
- e. Reimbursable totals by expense element
- f. Direct totals by expense element
- g. Fund Administrator (OB holder) totals by expense element, summary of reimbursable and direct totals.

In document sequence the MRR provides only the following totals:

- a. Document Totals
- b. Fund Administrator (OB Holder) totals by expense element

(A document with zero value/amount will not print in either sequence).

3. Content. The MRR has two content options: the "All" listing and the "Change" listing.

The "All" listing prints status and detail disbursement information where applicable, on all documents issued against an OB, whether outstanding or completed. This portion is intended as an end of month report on current year and a quarterly report on prior years.

The "Change" option prints only those documents against which a change has occurred since the last report. When a change occurs against a document, the complete status of the document will print including all disbursement history. This option is intended as a periodic report on prior years and will only be distributed to OB Holders.

a. Sequence/Content Identification. On each page of the MRR, immediately after the title, a phrase is printed identifying the sequence and content of the report. Examples: "JO SEQ - ALL", "JO SEQ - CHG".

b. MRR Header and Column Information.

(1) Program number title of report, and sequence/content description (i.e., G - EG43G1 the Memorandum Record Report- JO SEQ - ALL).

(2) Fiscal year.

(3) Period Ending Date: This date is only meaningful if it indicates month end or if it coincides with the end of civilian pay period. In these two cases the MRR contains civilian labor charges through the period ending date.

(4) Run Date: Date the report is actually processed in the computer. Material transactions up to this date appear in the MRR, with the exception of the month end report.

(5) Fund Admin (OB Holder): UIC and title of the fund administrator (i.e., Fund Admin - 00072 - COMNAVRESFOR New Orleans).

(6) Appn: Appropriation and subhead (i.e., Appn - 1751806.7235).

(7) Field used for Allotment accounting reports only.

(8) Segment: 4 digit code as assigned by OB Holder.

(9) LMSC: 4 digit Local Management Summary Code.

(10) JO FY/SER: The fiscal year and serial portion of the eleven digit job order. The UIC of the job order is programatically the same as the UIC in the document number.

(11) Document Number: This column contains either a 14 digit MILSTRIP document number or a 15 digit Standard Document Number (SDN).

For OB Holders an additional entry is possible, the payroll GAD in the case of labor charges. The GAD is a 6 digit code indicating the payroll group, activity and department. The applicable labor distribution code is shown following the GAD. The RG (regular) code is shown for all labor costed at regular straight time rates. This includes all leave (annual, sick, holiday, etc.) and comp time as well as regular time. Other codes are included in the RESFIPC Accounting Services Guide.

(12) Expense element (or object class in the case of allotment accounting).

(13) P: This column shows a "P" for all transactions that were entered as public. It is blank for all transactions coded as Government (e.g., stock fund transactions).

(14) NAME/DESCRIPT: This column contains the name of traveler or other descriptive information entered on obligational transmittals or the PIIN number entered on a purchase obligation.

(15) Disbursement information: The following disbursement information is provided:

a. TC - Transaction code.

Outstanding Document Transaction codes:

EC - establish commitment

EO - establish obligation = non-purchase

EH - establish obligation = purchase

PA - partial accrual

FA - final accrual

CO - cancel obligation/commitment

NO - net change to obligation/commitment

Completed Document/Disbursement codes:

NP - PV, nonpreceded

FT - Travel advance
refund, final

BP - Actual alloc reim
bursable/PV 621

MB - DSA/GSA billing

PP - PV, partial

RN- NSA NC2074 chgs

FP - PV, final

LN - NSA back order
release

AT - travel advance

PT - travel advance
refund, partial

PN - NSA issue

MN - NSA money value
only charge

Labor Transaction codes:

CL - end of month accrued labor

XL - expended labor

*b. TRAN: Transaction date (Julian) the disbursement is posted to the MRR.

*c. RG: - Register number for NP, PP, FP, AT, PT, FT, and MB transactions.

- Material cog for PN and MN transactions.

*d. N: One digit code identifying the paying FIPC. L identifies RESFIPC, New Orleans. Other codes are included in the RESFIPC Accounting Services Guide.

*e. PAID: Payment date (mo,day) of the DOV or bill for NP, PP, FP, AT, PT, FT, and MB transactions.

*f. BL/DOV: - Disbursing Officer Voucher number for NP, PP, FP, AT, PT, and FT transactions.

- Drop from inventory date for PN and MN transactions.

- UIC of NC2074 issuing activity for RN transactions.

- Five digit register for MB transactions.

(16) General Ledger Accounts: (applicable account numbers will print as required for RMS or allotment accounting.) Indicates status of funds used by general ledger account for each document.

(17) Total Used: Total of funds used on each document. Advance travel disbursements and refunds are not added in the Total Used. Therefore, the following relationship holds when a document does not involve travel advances:

CONS/COMMIT + UNDEL ORDER + ACCT PAYABLE + DISB =TOTAL USED

0915 3230 + 3232 2000 + 2100 1060

An asterisk following the total used indicates a change

has occurred in the status of the document since the last MRR.

(18) Job order total: The lowest level total reported on the MRR.

(19) LMSC totals: Labor and non labor totals are provided at the LMSC level.

(20) Segment totals: Expense element totals are provided at the segment level.

*(21) Fund Admin (OB Holder): Expense element totals are provided at the fund administrator level. This total includes both direct and reimbursable funds. All of the above totals will print as a cumulative figure on the change option MRR, even if there is no change for the period.

*(22) AUTH_____ % USED: Shows the amount authorized and the percentage obligated. This information is provided at the segment and fund administrator (OB holders) levels. Authorization on reimbursable segments results from reimbursable authorizations input by the RESFIPC. Authorization data on direct segments results from OF (OPTAR Authorization) transactions submitted by the OB holder.

NOTE: In document sequence the disbursement transaction date and register number are replaced by the segment and LMSC codes in order to provide a cross reference to the job order sequence MRR.

* This information explains the MRR, but is seldom used by the OPTAR record keeper.

I DOCUMENT IDENTIFICATION		II DISBURSEMENT INFORMATION		III DOCUMENT STATUS		IV DOCUMENT TOTAL	
FUND ADMIN-00072 - CHAVRES VIEW URLIAN		APPN-1701906.7235		PERIOD ENDING DATE 04 APR 60		SIGNMENT-ONAL LASC-U000-----	
FY/SEF	DULUENI NUMBER	F NAME/ DISBURSEMENT INFORMATION	CONSIG/COMMIT UNDER ORDER	ACCTS PAYABLE	FUNDS DIST		
CU0002	AS3V09A-C0047510	EC 0044	0915	3230 + 3232	2000 + 2100		
CU0002	AS3V09-C0074728	FP 0076	699.00				
CU0002	AS3V09-C0047440	FP 0076	29.20				
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CU0002	AS3V09-C0224763	EC 0027					
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CU0002	AS3V09-C0224888	EC 0027					
CU0002	AS3V09-C0224889	EC 0027					
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FUNG ADLN-00072 - CHAVES VFW URLANS APPN-1701B06.7235
 SECTANT-1010 LMSC-A000-.....

JC	F NAME,	DISBURSEMENT INFORMATION	CONSIG/CUMMIT	UNDEL ORDER	ACCTS PAYABLE	FUNDS DIST	TOTAL
CHRG	CD DISCHARGE	YR TRANSFER	PAID BY/DIV				USD
	DOCUMENT NUMBER						
			0915	3230 + 3232	2600 + 2160	1060	

[illegible]

DATE	DESCRIPTION	AMOUNT	BALANCE
1/1/00	OPENING BALANCE	0.00	0.00
1/15/00	PAYROLL	100.00	100.00
1/20/00	RECEIVED	50.00	150.00
1/25/00	PAYROLL	100.00	250.00
2/1/00	RECEIVED	75.00	325.00
2/15/00	PAYROLL	100.00	425.00
2/20/00	RECEIVED	100.00	525.00
2/25/00	PAYROLL	100.00	625.00
3/1/00	RECEIVED	100.00	725.00
3/15/00	PAYROLL	100.00	825.00
3/20/00	RECEIVED	100.00	925.00
3/25/00	PAYROLL	100.00	1025.00
4/1/00	RECEIVED	100.00	1125.00
4/15/00	PAYROLL	100.00	1225.00
4/20/00	RECEIVED	100.00	1325.00
4/25/00	PAYROLL	100.00	1425.00
5/1/00	RECEIVED	100.00	1525.00
5/15/00	PAYROLL	100.00	1625.00
5/20/00	RECEIVED	100.00	1725.00
5/25/00	PAYROLL	100.00	1825.00
6/1/00	RECEIVED	100.00	1925.00
6/15/00	PAYROLL	100.00	2025.00
6/20/00	RECEIVED	100.00	2125.00
6/25/00	PAYROLL	100.00	2225.00
7/1/00	RECEIVED	100.00	2325.00
7/15/00	PAYROLL	100.00	2425.00
7/20/00	RECEIVED	100.00	2525.00
7/25/00	PAYROLL	100.00	2625.00
8/1/00	RECEIVED	100.00	2725.00
8/15/00	PAYROLL	100.00	2825.00
8/20/00	RECEIVED	100.00	2925.00
8/25/00	PAYROLL	100.00	3025.00
9/1/00	RECEIVED	100.00	3125.00
9/15/00	PAYROLL	100.00	3225.00
9/20/00	RECEIVED	100.00	3325.00
9/25/00	PAYROLL	100.00	3425.00
10/1/00	RECEIVED	100.00	3525.00
10/15/00	PAYROLL	100.00	3625.00
10/20/00	RECEIVED	100.00	3725.00
10/25/00	PAYROLL	100.00	3825.00
11/1/00	RECEIVED	100.00	3925.00
11/15/00	PAYROLL	100.00	4025.00
11/20/00	RECEIVED	100.00	4125.00
11/25/00	PAYROLL	100.00	4225.00
12/1/00	RECEIVED	100.00	4325.00
12/15/00	PAYROLL	100.00	4425.00
12/20/00	RECEIVED	100.00	4525.00
12/25/00	PAYROLL	100.00	4625.00
TOTAL			4625.00

	01A00	H00U72A-UIC010051M E ² LYUN	EL 608B	130.00	130.00
					94.00

DATE	DESCRIPTION	AMOUNT	BALANCE
1960-01-01	OPENING BALANCE	100.00	100.00
1960-01-15	PAYROLL	50.00	50.00
1960-02-01	RECEIVED	25.00	75.00
1960-02-15	PAYROLL	50.00	25.00
1960-03-01	RECEIVED	75.00	100.00
1960-03-15	PAYROLL	50.00	50.00
1960-04-01	RECEIVED	100.00	150.00
1960-04-15	PAYROLL	50.00	100.00
1960-05-01	RECEIVED	125.00	225.00
1960-05-15	PAYROLL	50.00	175.00
1960-06-01	RECEIVED	150.00	325.00
1960-06-15	PAYROLL	50.00	275.00
1960-07-01	RECEIVED	175.00	450.00
1960-07-15	PAYROLL	50.00	400.00
1960-08-01	RECEIVED	200.00	600.00
1960-08-15	PAYROLL	50.00	550.00
1960-09-01	RECEIVED	225.00	775.00
1960-09-15	PAYROLL	50.00	725.00
1960-10-01	RECEIVED	250.00	975.00
1960-10-15	PAYROLL	50.00	925.00
1960-11-01	RECEIVED	275.00	1200.00
1960-11-15	PAYROLL	50.00	1150.00
1960-12-01	RECEIVED	300.00	1450.00
1960-12-15	PAYROLL	50.00	1400.00
1961-01-01	CLOSING BALANCE		1400.00

DATE	DESCRIPTION	AMOUNT	BALANCE
1950-01-01	OPENING BALANCE	100.00	100.00
1950-01-15	PAYROLL	15.00	85.00
1950-01-30	RENT	20.00	65.00
1950-02-15	PAID TO	10.00	55.00
1950-02-28	RECEIVED	30.00	85.00
1950-03-15	PAYROLL	15.00	70.00
1950-03-30	RENT	20.00	50.00
1950-04-15	PAID TO	10.00	40.00
1950-04-30	RECEIVED	30.00	70.00
1950-05-15	PAYROLL	15.00	55.00
1950-05-30	RENT	20.00	35.00
1950-06-15	PAID TO	10.00	25.00
1950-06-30	RECEIVED	30.00	55.00
1950-07-15	PAYROLL	15.00	40.00
1950-07-30	RENT	20.00	20.00
1950-08-15	PAID TO	10.00	10.00
1950-08-30	RECEIVED	30.00	40.00
1950-09-15	PAYROLL	15.00	25.00
1950-09-30	RENT	20.00	5.00
1950-10-15	PAID TO	10.00	(5.00)
1950-10-30	RECEIVED	30.00	20.00
1950-11-15	PAYROLL	15.00	5.00
1950-11-30	RENT	20.00	(15.00)
1950-12-15	PAID TO	10.00	(25.00)
1950-12-31	CLOSING BALANCE		(25.00)

CTA 03	PC0072A-1100205	TEAR	370.00
370.00			
370.00			

[illegible]

014 33 AC0U78-
T002402
MEMPHIS 4 432
101 23 9A

[illegible]

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1	06-06-80	09193		311.00
2	06-06-80	02420597		671.63

	DATE PAID	
01A 33 K00U78-	190627824	KEL A R P 4 5 307
311.00		94-10
615.72		

[illegible]

REGISTER

DATE	POSTED
350.60	350.32

	DATE POSTED	
PI 0023 05 1-1130 20075		351.00-
SP 0023 05 1-1130 20075		154.32

014 33 1000728-1000262	CAMPAIGN	TYPE PAYMENT	350.00	305.54
			350.00	

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110280511713197-1	365.7A

01A	33 N00U72R-	T00U2H3	STMAHA A1 V30E C5 I 1031 Z2096	PUBLIC KEY (IF PUBLIC)	301.10 300.00*
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11 0057 05 1 0129 A713a.
320.02
11.10
11.10

EXPENSE ELEMENT	EXPENSE ELEMENT
01A 33 A00072A-	TC00357
	PF 0035 05 5 1212 MAGDO
	2,040
	2,000

	ITEM NUMBER (IF ANY)	
104.60		
65.71		

	DOCUMENT NUMBER
01A 33 A00072A-	10064112E P3 MARCPAO PA 0015

[illegible]

JOB ORDER SERIAL,
27.50
10.80

CIA(3) ACQU/7A-01C064551M P²

P# 0029 US D 1270 W7103	23.05
P# 0052 US D 1226 W7310	23.05

43.12
1.5.12

DATE	DESCRIPTION	AMOUNT	BALANCE
01-01-00	OPENING BALANCE		170.00
01-02-05	PAYROLL	15.37	
01-02-12	PAYROLL	15.37	
01-02-19	PAYROLL	15.37	
01-02-26	PAYROLL	15.37	
01-03-05	PAYROLL	15.37	
01-03-12	PAYROLL	15.37	
01-03-19	PAYROLL	15.37	
01-03-26	PAYROLL	15.37	
01-04-02	PAYROLL	15.37	
01-04-09	PAYROLL	15.37	
01-04-16	PAYROLL	15.37	
01-04-23	PAYROLL	15.37	
01-04-30	PAYROLL	15.37	
01-05-07	PAYROLL	15.37	
01-05-14	PAYROLL	15.37	
01-05-21	PAYROLL	15.37	
01-05-28	PAYROLL	15.37	
01-06-04	PAYROLL	15.37	
01-06-11	PAYROLL	15.37	
01-06-18	PAYROLL	15.37	
01-06-25	PAYROLL	15.37	
01-07-02	PAYROLL	15.37	
01-07-09	PAYROLL	15.37	
01-07-16	PAYROLL	15.37	
01-07-23	PAYROLL	15.37	
01-07-30	PAYROLL	15.37	
01-08-06	PAYROLL	15.37	
01-08-13	PAYROLL	15.37	
01-08-20	PAYROLL	15.37	
01-08-27	PAYROLL	15.37	
01-09-03	PAYROLL	15.37	
01-09-10	PAYROLL	15.37	
01-09-17	PAYROLL	15.37	
01-09-24	PAYROLL	15.37	
01-10-01	PAYROLL	15.37	
01-10-08	PAYROLL	15.37	
01-10-15	PAYROLL	15.37	
01-10-22	PAYROLL	15.37	
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01-11-05	PAYROLL	15.37	
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01-11-19	PAYROLL	15.37	
01-11-26	PAYROLL	15.37	
01-12-03	PAYROLL	15.37	
01-12-10	PAYROLL	15.37	
01-12-17	PAYROLL	15.37	
01-12-24	PAYROLL	15.37	
01-12-31	PAYROLL	15.37	
02-01-07	PAYROLL	15.37	
02-01-14	PAYROLL	15.37	
02-01-21	PAYROLL	15.37	
02-01-28	PAYROLL	15.37	
02-02-04	PAYROLL	15.37	
02-02-11	PAYROLL	15.37	
02-02-18	PAYROLL	15.37	
02-02-25	PAYROLL	15.37	
02-03-04	PAYROLL	15.37	
02-03-11	PAYROLL	15.37	
02-03-18	PAYROLL	15.37	
02-03-25	PAYROLL	15.37	
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02-04-15	PAYROLL	15.37	
02-04-22	PAYROLL	15.37	
02-04-29	PAYROLL	15.37	
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02-05-13	PAYROLL	15.37	
02-05-20	PAYROLL	15.37	
02-05-27	PAYROLL	15.37	
02-06-03	PAYROLL	15.37	
02-06-10	PAYROLL	15.37	
02-06-17	PAYROLL	15.37	
02-06-24	PAYROLL	15.37	
02-07-01	PAYROLL	15.37	
02-07-08	PAYROLL	15.37	
02-07-15	PAYROLL	15.37	
02-07-22	PAYROLL	15.37	
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02-09-09	PAYROLL	15.37	
02-09-16	PAYROLL	15.37	
02-09-23	PAYROLL	15.37	
02-09-30	PAYROLL	15.37	
02-10-07	PAYROLL	15.37	
02-10-14	PAYROLL	15.37	

01A033 4000/2A-61004611M P3 JUSYLF P 053 05 5 0116 M503 2.40 2.00 1.50

[illegible]

01A033 2000/20-116015291M C² HELIXSON CP 1066 15 5 0131 HT001

—

DISBURSING OFFICE VOUCHER

DATE PAID

CODE OF PAYING ACTIVITY

REGISTER

DATE POSTED

TYPE PAYMENT

DESCRIPTIVE DATA

PUBLIC KEY (IF PUBLIC)

EXPENSE ELEMENT

ITEM NUMBER (IF ANY)

DOCUMENT NUMBER

JOB ORDER SERIAL

MEMORANDUM RECORD REPORT

APPENDIX D

AIR COST STRUCTURE

A. SEGMENT

The segment is a four digit alpha/numeric code constructed as follows:

1st position	alpha character for RWO 1 for BA-1 funds 3 for BA-3 funds
2nd position	cost center
3rd position	sub cost center
4th position	always Ø

The cost center and sub cost center are as identified in the RESFIPC Accounting Services Guide and are reproduced here for convenience:

BA-1 STANDARD COST CENTERS

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
D		Comptroller
	A	Other expenses
	Z	Reserved
G		Reserve Intelligence Program Officer
	A	Administration Services
	D	Travel
	Z	Reserved
J		Aircraft Maintenance Dept
	F	GSE
	G	PRE-X
P		C118 Simulator School/RESASWTAC (Glenview, Willow Grove Only)

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
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Q

COMRESTACSUPWING

A	Administration Services
B	Staff Travel
C	Flight log support of RESFORON travel
D	NATOPS Mission A/C
E	C9B Simulator TAD
F	C9B Simulator Contract
Z	Reserved

V

RESFORON Travel

A-H	Travel by Squadron
J	NAS mil travel-support of RESFORON
K	NAS mil travel-support of MARTD
Q	CNAVRES HQ flight support travel
Z	Reserved

W

IMRL

A-R	IMRL by A/C type
S	Miscellaneous IMRL items
Z	Reserved

Y

Non Flight Miscellaneous

A	Jet Plan Fuel Management
B	VC Tow Target/Supporting Hardware
C	Air Combat Maneuvering Range Navy
D	Air Combat Maneuvering Range Marines
E	Simulators
F	AUTEC Torpedo Training
G	Civ Airport-US Customs/ 1 MG SS chgs
Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
Ø		Flight Operations-HQ Support
	A	Fuel
	B	Oil
	C	OMA
	D	Flight Operations-Other
	E	GSE
	G	PRE-X
	H	AWP
	Z	Reserved
	1-5	RESFORON Sqds (assign 1 cost center code per squadron)
	A	Fuel
	B	Oil
	C	OMA
	D	Flight Operations Other
	E	IMA
	F	GSE
	G	PRE-X
	H	AWP
	Z	Reserved
	6-8	MARTD (assign 1 cost center code per unit)
	A	Fuel
	B	Oil
	C	OMA
	D	Flight Operations Other
	E	IMA
	F	GSE
	G	PRE-X
	H	AWP
	Z	Reserved
Ø-3		Base Flight Operations-Navy (By A/C type)
	A	Fuel
	B	Oil
	C	OMA
	D	Flight Operations Other
	E	IMA
	F	GSE
	G	PRE-X
	H	AWP
	Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
--------------------	------------------------	--------------------

6-8

Base Flight Operations-Marine
(A/C type)

A	Fuel
B	Oil
C	OMA
D	Flight Operations Other
E	IMA
F	GSE
G	PRE-X
H	AWP
Z	Reserved

BA-3 STANDARD COST CENTERS

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
--------------------	------------------------	--------------------

A

Command

A	Commanding Officer
B	Executive Officer
C	Career Counselor
D	Civilian Personnel
E	Master Chief
F	Aviation Safety
G	Public Affairs
H	Command Duty Officer
J	Equal Employment Opportunity
K	Human Goals
L	Chaplain
Z	Reserved

B

Administration Services

A	Administration Services
B	Legal
C	Security
D	Communications
E	Billeting
F	Commissioned Officers Mess Open
G	Special Services
H	Enlisted Mess Open
J	Miscellaneous
Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
C		Operations Department
	A	Administration Services
	B	Air Traffic Controller
	C	Fire and Crash Division
	D	Photographic Division
	E	Ground Control/Support Division
	Z	Reserved
D		Comptroller
	A	Administration Services
	B	Disbursing
	C	Accounting
	D	Budget
	H	Base Operations Travel
	J	Base Operations Labor
	K	Comptroller Managed Labor
		Accounts
	L	Labor Suspense
	M	Comptroller Managed Special
		Accounts
	Z	Reserved
E		Supply Department
	A	Administration Services
	B	Supply Support Center
	C	Control Division
	D	Material Division
	E	Food Services Division
	F	Fuels
	G	Data Processing Division
	Z	Reserved
N		Dental
	A	Administration Services
	Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
P		C118 Simulator School/RESASWTAC (Glenview/Willow Grove only)
	A	Administration Services
	G	Training General
	H	Simulators
	J	Minor Training Devices
	Z	Reserved
Q		RNMCB Support (Glenview/Dallas)
	A	Administration Services
	B	Medical/Dental Services
	C	Rapid Communications
	D	Transportation
	E	Maintenance Real Property
	F	Utilities
	G	Custodial Services
	H	Minor Construction
	Z	Reserved
R		Marine Reserve Aviation Support Training Unit (NAS New Orleans)
	A	Administration Services
	B	UNIVAC 1500 Support
	C	3M Van Support
	Z	Reserved
S		COMNAVRESFOR Air Rep Liaison
	A	Administration Services
	C	Travel
	G	Communications
	Q	Acquisition Minor/Class 3 Property
	R	Installation/Maintenance of Minor/Class 3 Property
	Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
X		COMNAVRESREDCOM HQ Support (Dallas)
	A	Administration Services
	B	General Clinical Services
	C	Communications
	D	Transportation
G		Manpower Management
	A	Administration Services
	B	Active Duty Personnel Division
	C	Reserve Personnel Division
	D	Recruiting
	G	Regional Reserve Recruiting Coord.
	Z	Reserved
H		Training Department
	A	Administration Services
	D	Training Aids
	E	SRU Support
	K	RIPO/WING Support
	Z	Reserved
J		Aircraft Maintenance Department
	A	Administration Services
	D	Transient Aircraft Support
	Ø-5	OMA (Civ Labor)
	6-9	IMA (Civ Labor)
	Z	Reserved
K		Public Works Department
	A	Administration Services
	B	Personnel Support
	C	Transportation
	D	Utilities
	E	Telephone
	F	Maintenance Real Property
	G	Minor Construction
	H	Non-appropriated Fund Support
	J	Other Public Works
	Z	Reserved

<u>Cost Center</u>	<u>Sub Cost Center</u>	<u>Description</u>
L		Housing
	A-F	(By Budget Project)
	Z	Reserved
M		Medical
	A	Administration Services
	Z	Reserved
Y		NARCEN - Non Flying
	A	Administration Services
	D	Training General
	E	Transportation
	Z	Reserved
Z		NARCEN - Flying
	A	Administration Services

A separate segment will be established for each OPTAR for which a set of memorandum accounting records is maintained.

B. LOCAL MANAGEMENT SUMMARY CODE (LMSC)

The LMSC is a four digit alpha/numeric code constructed as follows:

1st - 2nd positions Sub-Sub activity group (Sub-SAG)

3rd - 4th positions Sub activity group (SAG)

The SAG and Sub-SAG are obtained from the current COMNAVRESFOR P-7100 Appendix F and may change as directed by higher authority.

C. JOB ORDER NUMBERS

The Job order number is a 12 digit alpha/numeric code constructed as follows:

1st - 5th positions	UIC of OPTAR/Cost Center
6th position	last digit of fiscal year- FY
7th - 8th positions	Cost Center & Sub Cost Center
9th position	R for RWO
	N - Y except O, Q, R, U, & V for BA-1 funds
	A - M except I for BA-3 funds
10th - 11th positions	Serial
12th position	Expense element

A separate job order number must be established for each cost account to be used by an OPTAR/Cost Center. While the 12th position is not required for UADPS job order numbers, it is included to ensure no duplicate job orders exist within the Naval Reserve system. The 2 digit Cost Center and Sub Cost Center in the 7th - 8th positions is the same as that used in the segment for which the job order is established. The serial in the 10th - 11th positions is in accordance with guidelines established by the operating budget holder.

An example of the accurate construction of these codes follows:

Segment	3AA0 (BA-3 funds, CO's OPTAR)
LMSC	37FF (Sub-SAG & SAG for Admin)
Job Order Number	002066AAA01T (NAS NOLA FY86 CO's Other Supplies - BA-3 funds)

APPENDIX E
SURFACE COST STRUCTURE

A. SEGMENT

The segment is a four digit alpha/numeric code constructed as follows:

1st position	alpha character for RWO
	1 for BA-1 funds
	3 for BA-3 funds
2nd - 3rd positions	2 digit OPTAR ID
4th position	always Ø

The 2 digit OPTAR identifier (ID) can be alpha or numeric and is established by the operating budget holder.

A separate segment will be established for each OPTAR for which a set of memorandum accounting records is maintained.

B. LOCAL MANAGEMENT SUMMARY CODE (LMSC)

The LMSC is a four digit alpha/numeric code constructed as follows:

1st - 2nd positions	Sub-Subactivity group number
3rd - 4th positions	Subactivity group

The Subactivity group (SAG) and Sub-SAG are obtained from the current COMNAVRESFOR P-7100 Appendix F and may change as directed by higher authority.

C. JOB ORDER NUMBERS

The job order number is a 12 digit alpha/numeric code constructed as follows:

1st - 5th positions	UIC of OPTAR/Cost Center
6th position	last digit of fiscal year - FY
7th - 8th positions	2 digit OPTAR/Cost Center ID

9th position

R for RWO

N - Y, except for O, Q, R, U,
& V for BA-1 funds

A - M, except for I for BA-3
funds

10th - 11th positions

serial

12th position

Expense element

A separate job order number must be established for each cost account to be used by an OPTAR/cost center. While the 12th position is not required for UADPS job order numbers, it is included to ensure no duplicate job orders exist within the Naval Reserve system. The 2 digit OPTAR/cost center ID in the 7th - 8th positions is the same as that used in the segment for which the job order is established. The serial in the 10th - 11th positions is in accordance with guidelines established by the operating budget holder.

An example of the accurate construction of these codes follows:

Segment 3250 (BA-3 funds, Staff Admin OPTAR)

LMSC 37FF (Sub-sag & Sag for Admin)

Job Order # 68307625A01T (REDCOMTEN FY86 Staff
Admin Other Supplies - BA-3 funds)

APPENDIX F
EXPENSE ELEMENT CODES

CODE	DESCRIPTION
A	<u>Military Personnel</u> - Includes the costs of the services of active forces military personnel computed at the standard. Excludes the cost of trainees and unassigned personnel.
D	<u>Purchased Equipment Maintenance (Intra-DOD)</u> - Includes cost of purchased maintenance, overhauls, restricted and technical availabilities of ships, overhauls and progressive aircraft rework (PAR's), and rework and repair of equipment, and vehicles when purchased from organizations within the Department of Defense.
E	<u>Travel of Personnel</u> - Includes the cost of travel and transportation of personnel. Includes transportation such as commercial transportation charges, rental of passenger-carrying vehicles, mileage allowances and tolls, subsistence for travelers such as per diem allowances, and incidental travel expenses such as baggage transfer and telephone expenses.
F	<u>Transportation of things, Military Airlift Command</u> - Includes the cost of transportation of things when shipment is made via Military Airlift Command.
G	<u>Transportation of things, Commercial Air</u> - Includes the cost of transportation of things when shipment is made via commercial air. Excludes shipment made via contract hire aircraft (QUICKTRANS).
H	<u>Transportation of things, Military Sealift Command</u> - Includes the cost of transportation of things when shipment is via MSC.
J	<u>Transportation of things, Inland transportation</u> - Includes the cost of transportation of things when inland shipment is via rail, truck, or other inland transportation.

- K Transportation of things, QUICKTRANS - Includes the cost of transportation of things when shipment is via commercial contract hire aircraft.
- L Transportation of things, other - Includes the cost of transportation of things when shipment is not covered by one of the types of shipment described for expense element codes F through K.
- M Utilities and Rents - Includes the cost of heat, power, water, gas, electricity, and other utility services except transportation and communication services. Includes the cost of rents of land, structures, and equipment (other than transportation equipment).
- N Communications - Includes the cost of communication services. Includes charges for the transmission of messages from place to place, contractural telephone and teletype service, postage (other than parcel post), rental of post office boxes, and telephone installation charges.
- P Purchased Equipment Maintenance (Commercial) - Includes cost of purchased maintenance, overhauls, restricted and technical availabilities of ships, overhauls and progressive aircraft rework (PAR's), and rework and repair of equipment, and vehicles when purchased from commercial sources or organizations outside of the Department of Defense.
- Q Purchased Services, Other - Includes the cost of other services except for purchased equipment maintenance as prescribed in expense element codes P and D. Examples include repair and alterations to buildings, equipment, etc. when done by contract; contractural services for storage and care of vehicles; contractural services for board, lodging, and care of persons (except travel items); publications, tuition, port charges, and operation of facilities or other service contracts.
- R Aircraft POL - Includes the cost of propulsion petroleum and interrelated additives and lubricants consumed by aircraft in flight operations (excludes POL consumed during maintenance).

- S Ship POL - Includes the cost of propulsion petroleum and interrelated additives and lubricants consumed by ships and service craft assigned to ships.
- T Supplies - Includes the cost of all consumable items (whether acquired by formal contract or other form of purchase, which are ordinarily consumed within one year after they are put into use, which are converted in the process of construction or manufacture, or which are used to form a minor part of equipment or fixed property) (also includes aircraft POL consumed during maintenance and the cost of O&M funded end items of equipment having a useful life of less than 1 year) except those included under expense elements R, S, and V for fuel and expense element 2 for NAS 7R Cog Aviation Depot Level Repairable (AVDLR) material.
- U Civilian Personnel - Includes the cost of the services of civilian personnel. Includes personnel compensation, such as regular salaries and wages, additional compensation such as overtime pay, severance pay, incentive awards, and personnel benefits.
- V Other POL - Includes the cost of petroleum, and oil and lubricants used for other than aircraft or ship propulsion such as fuel used in heating, generating power, making artificial gas, operating motor vehicles, operating powered materials-handling equipment, mowers, labor-saving devices, and service craft assigned to commands and staffs, special combat forces and shore stations.
- W Equipment - Includes the cost of end-items of equipment purchased with O&M funds. Includes plant property classes 3 and 4 with a unit price between \$1,000 and \$2,999.99. Exceptions are Navy stock account or Marine Corps stock fund account issues or standard items which are not carried in the supply system but are authorized for local purchase which may be any value in excess of \$1,000. Also included is minor property with a unit value of less than \$1,000 and those plant property items excluded from plant property reporting. All equipment items reported under expense element W must have a useful life of 2 years or more and be an item over which an inventory control point does not maintain

centralized individual item management throughout the supply system down to the user level.

- Y Printing and Reproduction - Includes the cost of contractural printing and reproduction work (such as work done on printing presses, lithographing, and other duplicating), related binding operations, photostating, blueprinting, photography, and microfilming.

- 2 Aviation Depot Level Repairables (AVDLR) - Includes the cost of all 7R Cog Aviation Depot Level Repairable (AVDLR) material.

APPENDIX G

FINANCIAL MANAGEMENT DOCUMENTS

A. MILSTRIP DOCUMENT NUMBERS

The MILSTRIP document number assigned to DD Form 1348 when used to requisition stock numbered items (those obtained from the Navy supply system) is a 14 digit number constructed as follows:

1st position	N (service designator)
2nd - 6th positions	UIC of OPTAR/Cost Center
7th - 10th positions	Julian date
11th - 12th positions	OPTAR ID
13th - 14th positions	Consecutive serial number

For Surface Naval Reserve Activities, the OPTAR ID is that which was previously established by the operating budget holder and used in the segment and job order number to which the expenditures resulting from this document will be applied.

For Aviation Naval Reserve Activities, the OPTAR ID is the Cost Center/Sub Cost Center identified in the segment and job order number.

The consecutive serial numbers begin with 00 and proceed through 99. Should more than this be required, the 13th position will begin with an alpha character (starting with A and continuing through Z, if required). The 14th position will be 0 through 9 for each separate alpha character in the 13th position (e.g., A0, A1, ... A9, B0).

B. STANDARD DOCUMENT NUMBER (SDN)

The SDN will be assigned to all Navy financial documents other than MILSTRIP documents. The SDN is a 15 digit continuous number (i.e., without spaces, dashes, or hyphens, and with zeros slashed - 0) constructed as follows:

1st position	N (service designator)
2nd - 6th positions	UIC of OPTAR/Cost Center

7th - 8th positions	last 2 digits of fiscal year - FY
9th - 10th positions	Document type
11th - 12th positions	OPTAR ID
13th - 15th positions	Consecutive serial number

The documents most commonly used by operating budget holders and OPTAR holders and associated type codes are:

PO	NAVCOMPT 2275
WR	NAVCOMPT 2275 (for RWO)
RC	NAVCOMPT 2276
PI	SF 44
RV	SF 1164 (Claim for Reimbursement)
PT	DD 282 (NPPSO Printing Requisition)
TO	NAVPERS 1320/16 (TAD DD 1610 Orders)
TG	DD 1556 (Training Agreement)
SR	DD 2000 (Report of Survey)

Other document type codes are included in NAVCOMPTINST 7300.99C.

For Surface Naval Reserve Activities, the OPTAR ID is that which was previously established by the operating budget holder and used in the segment and job order number to which the expenditures resulting from this document will be applied.

For Aviation Naval Reserve Activities, the OPTAR ID is the Cost Center/Sub Cost Center identified in the segment and job order number.

The consecutive serial numbers begin with 000 and proceed through 999. Should more than this be required, the 13th position will begin with an alpha character (starting with A and continuing through Z, if required). The 14th and 15th positions will be 00 through 99 for each separate alpha character in the 13th position (e.g., A00, A01, ... A99, B00).

C. ACCOUNTING CLASSIFICATION DATA

The line of Accounting Classification data includes all information required to classify the final expenditure of funds resulting from a document as to type or purpose, and designates the activity responsible for recording and maintaining official records of these expenditures. The line of Accounting Classification data is constructed as follows:

Acct Class	first line - AA
Ref Number (ACRN)	second line - AB, etc.
Appropriation (APPN)	17__1806 (blank filled with last digit of FY).
Subhead (SH)	One of the following: .7211 (Air - BA-1) .7231 (Air - BA-3) .7212 (Surface - BA-1) .7232 (Surface - BA-3) .7235 (NSA - BA-3)
Object Class (OC)	* 000
Bureau Control Number (BCN)	UIC of operating budget holder
Suballotment (SA)	0
Authorized Accounting Activity (AAA)	068518 (UIC of RESFIPC)
Transaction Type(TC)	*2D
Property Accounting Activity (PAA)	7th - 12th positions of applicable job order number
Cost Code:	
1st - 2nd positions	FP - if only one item is ordered or one payment expected PP - if a contract or several payments expected If in doubt use PP

3rd - 10th positions last 8 digits of applicable document number

11th - 12th positions *00 (for travel orders specify type of traveler)

* These items are the data which would be input by an OPTAR holder. Operating budget holders may need to identify other object classes, transaction type codes, or specify type of traveler on TAD orders. Information on these items is included in the RESFIPC Accounting Services Guide.

D. NAVCOMPT FORM 2275

The NAVCOMPT Form 2275 will be prepared as follows:

<u>Block No.</u>	<u>Title/Explanation</u>
2	<u>Document Number</u> - enter a document number established in accordance with instructions in Section B of Appendix G.
3	<u>Reference Number</u> - enter a number that identifies the OPTAR authorization document
4	<u>Funds Expire on</u> - enter the date funds for this document will expire for obligation purposes - usually the end of the fiscal year
5	<u>Work Completion Date</u> - enter the date by which the work or services must be completed
6	<u>Date Prepared</u> - enter the date the form is prepared
7	<u>Amendment No</u> - enter a number which identifies each amendment to the original document, commencing with "001"
8	<u>From</u> - enter your OPTAR/Cost Center name and address

- 9 For Details Contact - enter name,
 code, and phone number of cognizant
 individual
- 10 To - enter UIC, name, & address of
 activity requested to perform the
 work
- 11 Mail Billings to - enter the name
 and address of your activity
 (Surface) or your activity Supply
 department (Air)
- 12 Accounting data to be cited -
 A - K - enter line(s) of accounting
 classification data established in
 accordance with instructions in
 Section C of Appendix G
- L - enter total \$ amount of this
 particular document or amendment
- M - enter total \$ amount of original
 document + all subsequent amendments
 including this one
- 13 enter whether this document is a
 project order or economy act order
- 14 Description of Work to be Performed
 and Other Instructions - enter a
 specific, definite, & certain desc-
 ription of the work encompassed by
 the order. When appropriate, a com-
 plete description of the work re-
 quested will be entered for each
 line of accounting classification
 data shown in block 12
- 15 Authorizing Official - enter name
 and title and acquire the signature
 of activity CO, dept head, or
 other person authorized to issue
 the document and the date signed
- 16 Accepting Official - leave blank

1. THIS ORDER MUST BE ACCEPTED ON A REIMBURSABLE BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE.										2. DOCUMENT NUMBER N0003979WR95276	
3. REFERENCE NUMBER N0003980PD01346			4. FUNDS EXPIRE ON 30 Sep 1979		5. WORK COMPLETION DATE 30 Sep 1979		6. DATE PREPARED 31 Jan 1980		7. AMENDMENT NO. 7		
8. FROM: Commander, Naval Electronic Systems Command Headquarters Washington, DC 20360							9. FOR DETAILS CONTACT: Ms. I. Langkamp ELEX 1024 222-3264				
10. TO: UIC 30938 Commanding Officer Naval Regional Data Automation Center Washington, DC 20360							11. MAIL BILLINGS TO:				
12. ACCOUNTING DATA TO BE CITED ON RESULTING BILLINGS											
A. ACRN	B. APPROPRIATION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT	
AA	1791804	3920	000	00039	J	065872	2D	000000	005301000FUQ	\$ 10,000.00Cr.	
L. TOTAL THIS DOCUMENT										\$ 10,000.00Cr.	
M. CUMULATIVE TOTAL										1,943,000.00	
13. THIS ORDER IS ISSUED AS A <input type="checkbox"/> PROJECT ORDER <input checked="" type="checkbox"/> AN ECONOMY ACT ORDER AND IS TO BE ACCOMPLISHED ON A <input type="checkbox"/> FIXED PRICE <input checked="" type="checkbox"/> COST REIMBURSEMENT BASIS. WHEN THE FIRST BLOCK IS CHECKED, THIS ORDER IS PLACED IN ACCORDANCE WITH THE PROVISIONS OF 41 U.S. CODE 23 AND DOD DIRECTIVE 7220.1. THE FOLLOWING SUPPLEMENTARY ITEMS ON REVERSE ALSO APPLY AND ARE AN INTEGRAL PART OF THIS ORDER: 1 and 8											
14. DESCRIPTION OF WORK TO BE PERFORMED AND OTHER INSTRUCTIONS Ref: (a) Phonecon between G. Partner, NARDAC and I. Langkamp NAVELEX on 30 Jan 1980 Funds in the amount of \$10,000.00 are hereby withdrawn due to a decrease in scope as discussed during reference (a). IF WORK ORDER IS ACCEPTABLE, PASS TO YOUR ACCOUNTABLE ACTIVITY. FORWARD ACCEPTANCE TO: COMMANDING OFFICER, NAVY REGIONAL FINANCE CENTER, WASHINGTON, DC 20360, ATTN: NRFC-FSR-123, WITH COPY TO THIS COMMAND, ATTN: ELEX 1022. Copy to: NRFC-FSR-123 ELEX 1022 ELEX 102 ELEX 1024											
16. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR THE WORK OR SERVICES REQUESTED.						AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE) William R. Koerner Assistant Comptroller (Financial Operations)				DATE 2-1-80	
18. THIS ORDER IS ACCEPTED AND THE WORK OR SERVICES WILL BE PROVIDED IN ACCORDANCE HERewith.						ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE) 				DATE	

Attachment A-1

NAVCOMPT 2275

E. NAVCOMPT FORM 2276

The NAVCOMPT Form 2276 will be prepared as follows:

<u>Block No.</u>	<u>Title/Explanation</u>
2	<u>Document Number</u> - enter a document number established in accordance with instructions in Section B of Appendix G
3	<u>Reference Number</u> - enter a number that identifies the OPTAR authorization document
4	<u>Funds Expire on</u> - enter the date funds for this document will expire for obligation purposes - usually the end of the fiscal year
5	<u>DMS Rating</u> - leave blank
6	<u>Priority</u> - enter appropriate priority
7	<u>Date Required</u> - enter the date items requested are required
8	<u>Amendment No</u> - enter a number which identifies each amendment to the original document commencing with "001"
9	<u>From</u> - enter your OPTAR/Cost Center name and address
10	<u>For Details Contact</u> - enter name, code, and phone number of cognizant individual
11	<u>To-</u> enter UIC, name, and address of organization actually awarding the contract
12	<u>Mail Invoices to</u> - enter the name and address of your activity (Surface) or your activity Supply department (Air)

- 13 Accounting data to be cited -
A - K - enter line(s) of accounting
classification data established in
accordance with instructions in
Section C of Appendix G
- L - enter total \$ amount of this
particular document or amendment
- M - enter total \$ amount of original
document + all subsequent amendments
including this one
- 15 Description - enter a specific,
definite and certain description of
each item of supplies, material,
equipment, or services required.
When appropriate, each item
described will be identified to its
respective line of accounting
classification data using the ACRN
- 17 Transportation Allotment - enter
accounting classification for
transportation, if applicable
- 18 Authorizing Official - enter name
and title and acquire the signature
of activity CO, dept head, or
other person authorized to issue
the document and the date signed
- 19 Accepting Official - leave blank

REQUEST FOR CONTRACTUAL PROCUREMENT-NAVCOMPT FORM 2276 (2-81)

1. THIS REQUEST MUST BE ACCEPTED ON A DIRECT CITATION BASIS ONLY AND IS SUBJECT TO THE CONDITIONS LISTED ON THE REVERSE SIDE.										2. DOCUMENT NUMBER N0002480RC00104		
3. REFERENCE NUMBER N0002480PD23620			4. FUNDS EXPIRE ON 30 Sep 1981		5. DMS RATING		6. PRIORITY 07		7. DATE REQUIRED 15 May 1980		8. AMENDMENT NO.	
9. FROM Commander, Naval Sea Systems Command Department of the Navy Washington, DC 20362							10. FOR DETAILS CONTACT: Mr. R. J. Harrison NAVSEA 0112 222-9740					
11. TO: UIC 00014 Office of Naval Research, Code 510 800 N. Quincy Street Room 1025 Arlington, Virginia 22217							12. MAIL INVOICES TO: The paying office cited in resulting contract					
13. ACCOUNTING DATA TO BE CITED ON RESULTING CONTRACTS												
A. ACRN	B. APPROPRIATION	C. SUB-HEAD	D. OBJ. CLASS	E. BU. CONTROL	F. SA	G. AAA	H. TT	I. PAA	J. COST CODE	K. AMOUNT		
AA	1701319	2401	000	00024	0	065872	2B	121405	001064510000	\$71,000.00		
Subproject SR1405 TAC001 PDC03R Task 23012 element 61153N												
14. AMOUNTS WILL NOT BE EXCEEDED IN THE OBLIGATION DOCUMENT WITHOUT PRIOR WRITTEN APPROVAL FROM THE ISSUER.								L. TOTAL THIS DOCUMENT		71,000.00		
								M. CUMULATIVE TOTAL		\$71,000.00		
15. PROCUREMENT BY CONTRACT OF THE FOLLOWING ITEMS IS REQUESTED THESE ITEMS <input type="checkbox"/> ARE <input checked="" type="checkbox"/> ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING <input type="checkbox"/> HAS <input checked="" type="checkbox"/> HAS NOT BEEN ACCOMPLISHED												
A. ACRN	B. ITEM NO.	C. FSC	D. DESCRIPTION (INAT. STOCK NO., SPEC. AND/OR DRAWING NO., ETC.)				E. QUANTITY	F. UNIT	G. ESTIMATED UNIT PRICE	H. ESTIMATED AMOUNT		
			Funds are hereby provided to support research in statistics and probability by the particular contractors who are developing improved methods in Quality Control and Assurance, Reliability and Maintainability, Statistical Test Design, GIDEP Methodology and Simulation for application to Naval Vehicle Design and Naval Weaponry. Ref: (a) PHONECON between Seymour Selig (ONR 434) and B. S. Orleans (NAVSEA 03T) of 8 Jan 80 Please comply with attached instructions in processing this document. Copy to: SEA 03F1							\$71,000.00		
16. SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS.										I. GRAND TOTAL \$71,000.00		
17. TRANSPORTATION ALLOTMENT (Used if FOU Contractor's plant) Cite TAC #N818 for any transportation charges												
18. I CERTIFY THAT THE FUNDS CITED ARE PROPERLY CHARGEABLE FOR ITEMS REQUESTED.			AUTHORIZING OFFICIAL (NAME, TITLE AND SIGNATURE) R. G. Lee, By Direction of Paul H. Engel Deputy Commander for Plans, Programs and Financial Management/Comptroller							DATE 1-29-80		
19. THIS REQUEST IS ACCEPTED AND THE ITEMS WILL BE PROVIDED IN ACCORDANCE HERewith.			ACCEPTING OFFICIAL (NAME, TITLE AND SIGNATURE)							DATE		

ATTACHMENT A-1

NAVCOMPT 2276

F. STANDARD FORM 44

The SF 44 will be prepared as follows:

<u>Block</u>	<u>Explanation</u>
Date of Order	Enter date of delivery or performance by supplier
Order	enter SDN established in accordance with instructions provided in Section B of Appendix G
Name & Address of Seller	leave blank (will be completed by air crew at time of purchase)
Furnish Supplies or Services to	enter the name and address of your activity
Supplies or Services	leave blank (will be completed by air crew at time of purchase)
Agency Name and Address	enter the name and address of your activity
Total	leave blank (will be completed by air crew at time of purchase)
Discount Terms	leave blank (will be completed by air crew at time of purchase)
Date Invoice Received	leave blank (will be completed by air crew at time of purchase)
Ordered by	leave blank (will be completed by air crew at time of purchase)
Purpose and Accounting Data	enter line of accounting classification in accordance with instructions in Section C of Appendix G. Upon return of air crew enter the accurate job order number for item purchased
Purchaser	leave blank (will be completed by air crew at time of purchase)

APPENDIX H

RESFIPC TRANSMITTALS

A. PURCHASE WITH PIIN (NAVRESUPPOFC FORM 7300/8)

The Purchase with PIIN (NAVRESUPPOFC 7300/8) transmittal form is used by all activities with purchase authority to submit commitment/obligation data to RESFIPC and will be prepared as follows:

<u>HEADER</u>	<u>Explanation</u>
From	enter your OPTAR/Cost Center name.
Autovon/FTS No	enter OPTAR recordkeeper phone no.
Appropriation/Subhead (APPN/SH)	enter appropriate APPN/SH information (must be identical to the APPN/SH in the accounting classification data of all documents included in the transmittal).
OB/Allotment	leave blank
Transmittal No.	enter transmittal number from Purchase log maintained by recordkeeper
Date	enter date transmittal is forwarded to operating budget holder.
Document Number cc 1 - 15	enter the SDN on the obligating document (this must reflect the same document number which will be listed on the invoice submitted for payment)
Quantity cc 16 - 23	enter as shown on the obligating document. Right justify. Zero fill is not required.
Extended Amount cc 24 - 33	enter as shown on the obligating document. Right justify. Zero fill is not required.
FY cc 34	enter last digit of FY as shown on obligating document.
Job Order Serial cc 35 - 39	enter as shown on the obligating document.

Cost Code cc 40 - 51	enter as shown on the obligating document.
Expense Element cc 52	enter as shown on the obligating document.
PIIN cc 53 - 65	enter as shown on the obligating document. Left justify. Do not use -, /, or similar marks. Do not leave blanks until all information is entered. (PIINs for GSA, SF 1080, & SF 44 - use RESFIPC Accounting Services Guide for assistance).
Item NO cc 66 - 67	enter as shown on the obligating document. This will be 1 unless document numbers assigned to each accounting classification data line on document. Zero fill is not required.
AC (Acceptance code) cc 68	enter S, D, or N to indicate the manner in which the material will be accepted by the activity: S - picked up by ordering activity D - delivered to ordering activity N - none necessary (e.g. utilities)
GC (Group code) cc 69	enter C, D, G, or S to indicate the manner in which the material is procured: C - if contract number has C in the 9th position. D - if contract number has A, F, or M in 9th position or if utilities. G - if SF 1080 or GSA 789 bill S - all others
ACRN cc 70 - 71	enter as shown on the obligating document.
2S, 3S, or 4S cc 72 - 73	enter 2S unless Public Works. If Public Works enter appropriate code

Work Center
cc 74 - 75

if 2S - leave blank
if not 2S - enter mandatory data

Labor Class
cc 76 - 77

if 2S - leave blank
if not 2S - enter mandatory data

PURCHASE / w PIIN

NAVRESUPPOFC 7300/8 (10-79)

[illegible]

PURCHASE/W PIIN

B. NON-PURCHASE (NAVRESUPPOFC FORM 7300/7)

The Non-Purchase (NAVRESUPPOFC 7300/7) transmittal form is used by all Naval Reserve Surface activities to submit commitments/obligations for items requisitioned through the Navy Supply system (i.e., requisitioned on DD 1348). In addition, this form is used by operating budget holders to submit obligations for items for which a check will not be issued by RESFIPC for payment (e.g., travel orders, NPPSO printing requisitions, and intra-Navy RWO's). The Non-Purchase transmittal will be prepared as follows:

<u>HEADER</u>	<u>Explanation</u>
From	enter your OPTAR/Cost Center name.
Appropriation/Subhead (APPN/SH)	enter appropriate APPN/SH information (must be identical to the APPN/SH in the accounting classification data of all documents included in the transmittal).
OB/Allotment	leave blank
Transmittal No.	enter transmittal number from Non-Purchase log maintained by record-keeper.
Date	enter date transmittal is forwarded to operating budget holder.
Job Order Number cc 6 - 16	enter as shown on the obligating document
Document Number cc 17 - 24	enter last 8 digits as shown on the obligating document.
cc 25	leave blank
Item No cc 26 - 27	OPTAR - leave blank OB - for travel orders enter last 2 digits of Cost Code.
Expense Element cc 28	enter as shown on the obligating document.

Obj Class cc 29 - 30	leave blank
AAA Trans Date cc 31 - 34	leave blank (will be assigned at RESFIPC).
Extended Amount cc 35 - 44	enter as shown on the obligating document. Right justify. Zero fill is not required.
Reference Number/ Name/Description cc 45 - 52	<p>OPTAR - Optional, may enter description of item. For GSA Self Service Stores enter delivery ticket #.</p> <p>OB - For travel enter last name of traveler.</p>
Quantity cc 53 - 57	enter as shown on the obligating document. Right justify. Zero fill is not required. If quantity is not applicable must enter one (1).
Age Life Date or Travel Comp Date cc 71 - 74	<p>OPTAR - leave blank</p> <p>OB - for travel enter travel completion date.</p>
Work Center cc 75 - 76	For Public Works enter mandatory code.
Labor Class cc 77 - 78	For Public Works enter mandatory code.
Trans Type Code cc 79 - 80	<p>OPTAR - enter EO</p> <p>OB - if commitment - enter EC</p>

The Non-Purchase transmittal may also be used for increasing, decreasing, or cancelling commitments, obligations, or accounts payable inaccurately reflected in the MRR for Non-Purchase documents. For these purposes, the Non-Purchase form will be prepared as follows:

1. To increase a commitment or obligation:

<u>HEADER</u>	<u>Explanation</u>
Job Order Number cc 6 - 16	enter as shown on the obligating document.
Document Number cc 17 - 24	enter last 8 digits as shown on the obligating document.
Expense Element cc 28	enter as shown on the obligating document.
Extended Amount cc 35 - 44	enter only the amount of the increase. Right justify. Zero fill is not required.
Tran Type Code cc 79 - 80	enter NO

2. To decrease a commitment or obligation:

<u>HEADER</u>	<u>Explanation</u>
Job Order Number cc 6 - 16	enter as shown on the obligating document.
Document Number cc 17 - 24	enter last 8 digits as shown on the obligating document.
Expense Element cc 28	enter as shown on the obligating document.
Extended Amount cc 35 - 44	enter only the amount of the decrease. Right justify. Zero fill is not required.
cc 44	enter a red "X" above this column.
Tran Type Code cc 79 - 80	enter NO

3. To cancel a commitment or obligation:

<u>HEADER</u>	<u>Explanation</u>
Job Order Number cc 6 - 16	enter as shown on the obligating document.
Document Number cc 17 - 24	enter last 8 digits as shown on the obligating document.
Expense Element cc 28	enter as shown on the obligating document.
Extended Amount cc 35 - 44	enter the amount of the obligation. Right justify. Zero fill is not required.
Tran Type Code cc 79 - 80	enter CO

4. To record accounts payable:

<u>HEADER</u>	<u>Explanation</u>
Job Order Number cc 6 - 16	enter as shown on the obligating document.
Document Number cc 17 - 24	enter last 8 digits as shown on the obligating document.
Expense Element cc 28	enter as shown on the obligating document.
Extended Amount cc 35 - 44	enter the amount of the final expense accrual. Right justify. Zero fill is not required.
Tran Type Code cc 79 - 80	enter FA

3. TC — TRANSACTION AND TYC — TYPE CODES (cc 79-80)

1. RCS G024 AND G035 APPLIES
2. FIELD MARKED WITH * REFER TO RCS G024/G035

CO	EO	RO	PA	PY
EC	NO	FA	RM	PZ

[illegible]

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C. BASIC PIIN DATA CARD 1 (CNAVRES FORM 5213/5)

The Basic PIIN Data (CNAVRES 5213/5) transmittal form is used by all activities to increase or decrease previously submitted purchase obligations, cancel a Purchase obligation, or correct a PIIN on a previously submitted purchase obligation and will be prepared as follows:

1. To increase an obligation:

<u>HEADER</u>	<u>Explanation</u>
upper right corner of form	enter transmittal number
Document Number cc 6 - 20	enter document number as shown on obligating document.
Extended Amount of Purchase cc 56 - 65	enter only the amount of the increase. Right justify. Leading zeros required.
Action Code cc 78	enter C

NOTE: If an invoice is received for more than the obligation, send this form increasing the obligation with the certified invoice to RESFIPC with an information copy to the operating budget holder.

2. To decrease an obligation:

<u>HEADER</u>	<u>Explanation</u>
upper right corner of form	enter transmittal number
Document Number cc 6 - 20	enter document number as shown on obligating document.
Extended Amount of Purchase cc 56 - 65	enter only the amount of the decrease. Right justify. Leading zeros required.
cc 56	enter a red "X" above this column

Action Code
cc 78

enter C

3. To cancel a previously submitted purchase obligation:

<u>HEADER</u>	<u>Explanation</u>
upper right corner of form	enter transmittal number
Document Number cc 6 - 20	enter document number as shown on obligating document.
PIIN cc 21 - 33	enter CANCEL

4. To correct a PIIN on a previously submitted purchase obligation:

<u>HEADER</u>	<u>Explanation</u>
upper right corner of form	enter transmittal number
Document Number cc 6 - 20	enter document number as shown on obligating document.
PIIN cc 21 - 33	enter Correct PIIN
Action Code cc 78	enter C

DOC TO	EC	DOCUMENT NUMBER	PIIN	CALL / ORDER NUMBER	ITEM NUMBER	SUBLINE NO	MOD NUMBER	QUANTITY	EXTENDED AMOUNT OF PURCHASE	ACCEPT CODE	GROUP CODE	ACRN	CONTRACTOR CODE	OVERRIDE CODE	CARD NO	ACTION CODE	TRANS TYPE CODE
1	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
2	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
3	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
4	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
5	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
6	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
7	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
8	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
9	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
10	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
11	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
12	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
13	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
14	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
15	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
16	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
17	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
18	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
19	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
20	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
21	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
22	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
23	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
24	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
25	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
26	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
27	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
28	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
29	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
30	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
31	3	5	4	3	2	1	0	41	42	43	44	45	46	47	48	49	50
32	3	5	4	3	2	1	0	41	42	43	44	45	46	47	4		

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D. DOCUMENT ACTION REQUEST (CNAVRES FORM 7330/1)

The Document Action Request (DAR) is used by all activities to report any discrepancies found to exist in the MRR during the monthly reconciliation process. The DAR is also used by operating budget holders to submit requests for cost transfers (Operating budget holders will find instructions for this in the RESFIPC Accounting Services Guide). The DAR will be prepared as follows:

<u>Block</u>	<u>Explanation</u>
upper right corner of form	enter transmittal number
From	enter your OPTAR/Cost Center name.
UIC	enter your OPTAR/Cost Center UIC.
Subhead	enter appropriate subhead for the document concerned.
Date	enter the date the DAR is prepared and forwarded to operating budget holder.
Serial No.	leave blank (will be assigned by operating budget holder if sent on to RESFIPC).
FIPC only	leave blank
Document Number	enter document number as shown on the obligating document.
Segment	enter appropriate information for document concerned.
LMSC	enter appropriate information for document concerned.
Job Order	enter as shown on the obligating document.
FY	enter as shown on the obligating document.
Amount	enter as shown on the obligating document.

Outstanding	leave blank if disbursed. check box which corresponds to the form original obligation was transmitted on if not disbursed.
Disbursed	leave blank if outstanding. check box with code shown on MRR if disbursed.
IDA/Adjust/Cancel	leave blank
Incorrect Subhead	check if disbursement was charged to a job order number which is assigned to a different subhead.
Incorrect Job Order	check if not yet disbursed and charged to an incorrect job order number.
Expense Element	check if expense element on MRR is incorrect.
Cost Transfer	check BP if disbursed and charged to an incorrect job order in the same subhead. OB - check labor if appropriate.
Other	check for all DAR's not in previous categories.
Problem Detail	enter details necessary to explain variance in the MRR.
(FIPC use only)	leave blank

DOCUMENT ACTION REQUEST

FROM	UIC	SUBHEAD	DATE	SERIAL NO.	FIPC ONLY
DOCUMENT IDENTIFICATION					
DOCUMENT NUMBER	SEGMENT	LMSC	JOB ORDER	FY	AMOUNT
DOCUMENT STATUS					
OUTSTANDING (Check one if document is outstanding) <input type="checkbox"/> IOA (PURCHASE) <input type="checkbox"/> NON-IOA (NON PURCHASE)			DISBURSED (Check transaction code if document is disbursed) <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> MB <input type="checkbox"/> PN <input type="checkbox"/> FP <input type="checkbox"/> NP <input type="checkbox"/> FT <input type="checkbox"/> RN <input type="checkbox"/> MN <input type="checkbox"/> PP <input type="checkbox"/> AT <input type="checkbox"/> PT </div> </div>		
PROBLEM TYPE (CHECK ONE)					
IOA/ADJUST/CANCEL (MAIL ACTIVITIES) <input type="checkbox"/>	INCORRECT SUBHEAD <input type="checkbox"/>	INCORRECT JOB ORDER <input type="checkbox"/>	INCORRECT EXP ELEMENT <input type="checkbox"/>	COST TRANSFER BP <input type="checkbox"/> LABOR <input type="checkbox"/>	OTHER <input type="checkbox"/>
PROBLEM DETAIL: _____ MRR RUN DATE _____ PAGE _____					
<div style="text-align: right;">SIGNATURE _____</div>					
(FIPC USE ONLY)					
ACTION TAKEN <input type="checkbox"/> ADJUSTMENT PROCESSED AS REQUIRED ABOVE <input type="checkbox"/> ADJUSTMENT REQUESTED NOT PROCESSED BECAUSE OF THE FOLLOWING <input type="checkbox"/> OTHER					
SUPERVISOR _____					

CHANGES 7/30/13 (3-40)

DOCUMENT ACTION REQUEST

E. TRANSMITTAL LOGS

Transmittal logs will be maintained by all OPTAR recordkeepers for all transmittals forwarded to operating budget holders to ensure an audit trail exists supporting financial obligation and correction submissions. The logs will be prepared as follows:

1. Enter the type of transmittal log in the blank. Select from the following:

Purchase	Purchase with PIIN Form
Non-Purchase	Non-Purchase Form
Correction	Basic PIIN Data Form
DAR	Document Action Request

2. Enter the consecutive serial number prefaced by the appropriate identifying code. Select from the following:

P	Purchase Transmittal
N	Non-Purchase Transmittal
C	Correction Transmittal
D	DAR Transmittal

3. Enter the date the transmittal was forwarded to the operating budget holder.

Transmittal Log

[illegible]

TRANSMITTAL LOG

APPENDIX I

OPTAR MEMORANDUM RECORDKEEPING

A. DOCUMENT CONTROL LOG (COMNAVRESFOR FORM DDDD/D)

The OPTAR recordkeeper will maintain one Document Control log for all MILSTRIP documents issued and another for all other documents issued (those with SDN's assigned). The Document Control log will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
FY	enter last 2 digits of FY.
Page	enter consecutive page numbers.
Date	enter date document is prepared.
Document No.	enter last eight digits of document number as shown on obligating document.
Purchase Order or BPA/ Call #/Supplemental ID	MIL - enter the ID code of requestor if desired. SDN - enter the PIIN and Call# of BPA's.
Description	enter name of material requisitioned BA-1 Travel - enter name of traveler.
Vendor/Source / Stock Number	MIL - enter NSN for item requisitioned. If SERVMART transaction enter SERVMART. SDN - enter Vendor from whom item is requisitioned.
SAG/SUBSAG	enter SAG & SUBSAG of item requisitioned.
QTY	enter quantity ordered if appropriate.

PRI	MIL - enter priority assigned to the requisition.
	SDN - leave blank.
Cost	enter \$ amount obligated for requisition.
TRSMTL #	enter # of transmittal on which submitted for obligation.
Status	enter run date of MRR on which funds are recorded as disbursed.
Date Rec'd	enter date requisitioned item is received. If partial receipt also enter - P.

$$F_Y \quad X, Y$$

PAGE: 01

[illegible]

USE SEPARATE LOGS FOR MILITARY AND ACQUISITION NUMBERS

0/0000 4035.11AV1000...

DOCUMENT CONTROL LOG

B. OPTAR LOG (COMNAVRESFOR FORM 0000/O)

The OPTAR recordkeeper will maintain an OPTAR log with a separate page for each SAG and SUBSAG identified in the Target Advice received from the operating budget holder. All documents recorded in the MILSTRIP and SDN Document Control logs will be immediately recorded in the OPTAR log for the SAG and SUBSAG identified in the SAG/SUBSAG column of the Document Control log. The OPTAR log will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
OPTAR Log FY	enter last 2 digits of FY.
Subactivity Group	enter SAG and SUBSAG and description from Target Advice.
BA	enter appropriate budget activity (BA-1 or BA-3).
Cum Target	enter cumulative total of Target Advices for the FY.
Page No.	enter consecutive page numbers.
Job Ord (as header)	enter all Job order numbers (incl. expense element) applicable to the SAG and SUBSAG. (if more than 6 are applicable add another page to the log for the SAG and SUBSAG.)
Date	enter date document is prepared, or date adjusting entry is made.
Document #	enter last eight digits of document number as shown on the obligating document.
Description	enter name of material requisitioned. BA-1 Travel - enter last name of traveler.
Actual Cost	enter actual receipt cost.
Date Rec'd	enter date requisitioned item is received. If partial receipt also enter - P.

Job Ord	enter obligation amount or adjustment if actual cost is different upon receipt under the appropriate job order number.
ADJ	Obligation entry - enter adjustment
P/L	page/ line.
	Adjustment entry - enter original obligation page/line.
Doc Total	enter obligation \$ amount or adjustment \$ amount - if negative - use ().
Fund Balance	enter balance of funds authorized after subtracting obligation amount or adding/subtracting adjustment amount.
OBL	enter MRR run date when obligation first appears.
FD	enter MRR run date when funds disbursed first appears.

The first line of this form has Balance Brought Forward in the description column. At the beginning of a FY this line is where the first Target Advice is entered. As pages of the OPTAR log are filled, this is where the balance is brought forward from the previous page.

C. STATUS OF FUNDS (COMNAVRESFOR FORM SSSS/S)

The OPTAR recordkeeper will prepare a Status of Funds Report which reflects the OPTAR Memorandum Record Status of Funds on the last day of each month. This report must be prepared and submitted to the operating budget holder by the third working day of the following month. A Separate Status of Funds Report must be prepared for each budget activity (i.e., BA-1 & BA-3) for which an OPTAR is provided.

Prior to preparing the Status of Funds Report the OPTAR recordkeeper must determine and post end of month totals for each SAG and SUBSAG OPTAR log. The procedure for accomplishing this is as follows:

1. Draw a red line under the last entry for the month.
2. Enter month end date in the date column.
3. Enter "End of Month Totals" in the document number and description columns.
4. Total all entries posted to each job order number and enter in appropriate column of EOM line.
5. Total all entries posted in Document Total column and enter on the EOM Document Total line.
6. Enter Funds Balance Column Total on the EOM line.

NOTE: The sum of the Document Total Column and the Fund Balance Column on the EOM line should equal the Cum Target amount on the top of the form.

Following this, the OPTAR recordkeeper prepares the Status of Funds Report as follows:

<u>Header</u>	<u>Explanation</u>
first blank line	enter Status of Funds Report.
BA	enter BA-1 or BA-3 as appropriate.
FY	enter last 2 digits of FY.
Segment	enter your OPTAR/Cost Center segment as established by the operating budget holder.

From	enter your OPTAR/Cost Center name.
To	enter your operating budget holder name.
Month ending	enter month report is prepared for.
SAG/SUBSAG	list all SAG's and SUBSAG's for which your OPTAR has been provided a target.
Authorized	enter the cumulative total of all Target Advices received for each SAG and SUBSAG.
Obligations/ Funds Requested	enter the total obligations for each grouping of expense elements on the appropriate SAG and SUBSAG line. These totals are found on the EOM line of each SAG and SUBSAG OPTAR log as job order totals.
	enter the OPTAR log EOM line Document total amount under Total. (This figure should be the total of all entries under expense elements of the Status of Funds Report).
Balance	enter the OPTAR log EOM line Fund Balance (this figure should be the Authorized minus Total for each SAG and SUBSAG line of the Status of Funds Report).
Totals	enter the sum of all entries in each column (Authorized minus Total should equal balance).
Prepared by	enter OPTAR recordkeeper name.
Date Submitted	enter date submitted to operating budget holder.
Approved	obtain signature of CO/Dept Head.

STATUS OF FUNDS REPORT

SEGMENT XXXX

FROM: CPTARHOLDER

TO: OPERATING BUDGET HOLDER

BA - 3

FY XX

MONTH ENDING 188 18

SAG/ SUBSAG	AUTHORIZED	OBLIGATIONS/FUNDS REQUESTED						BALANCE
		SUPPLIES T	EQUIP/ AVDLR W,2	FURNITURE/ TRAVEL W,E	D,M,N,P,Q, F,G,H,K,L	FUEL/PRINT V,R,S,Y	TOTAL	
67FR	800	5.00			550.00	50.00	605.00	195.00
37FF	1,000	250.00		300.00	150.00	100.00	300.00	200.00
25FA	500				300.00		300.00	200.00
XXXX	XY,XXX							
TOTALS	2300.00	255.00			1000.00	150.00	1105.00	595.00
PREPARED BY SKZ CPTAR					APPROVED			
DATE SUBMITTED					FLDR. J. E. Jones C.C.			

COMNAVRESFOR SSSS/S

STATUS OF FUNDS REPORT

D. RECONCILIATION REPORT (COMNAVRESFOR FORM RRRR/R)

Upon receipt of the MRR from RESFIPC the OPTAR recordkeeper is required to prepare (within three working days) the Reconciliation Report. A separate Reconciliation Report will be prepared for each budget activity (i.e., BA-1 & BA-3) for which an OPTAR is provided. The Reconciliation Report will be prepared as follows:

PART I - OPTAR/MRR COMPARISON

<u>Header</u>	<u>Explanation</u>
BA	enter BA-1 or BA-3 as appropriate.
FY	enter last 2 digits of FY.
From	enter your OPTAR/Cost Center name.
To	enter your operating budget holder name.
Segment	enter your OPTAR/Cost Center segment as established by your operating budget holder.
Month ending	enter month report is prepared for.
SAG/SUBSAG	list all SAG's and SUBSAG's for which your OPTAR is provided a target.
Job Order	list all job order numbers established under each SAG and SUBSAG.
Note: After all job orders for each SAG and SUBSAG are listed enter a subtotal line for the SAG and SUBSAG.	
End of Month	enter the total obligations at the end of the month for each job order on the appropriate line. (These totals are found on the EOM line of each SAG and SUBSAG OPTAR log.
	Subtotal all entries for each SAG and SUBSAG.

NOTE: These three columns should be completed at the same

time the Status of Funds Report is prepared. All SAG and SUBSAG totals should balance with the Status of Funds Report.

MRR ADJ Not Posted	enter adjustments which appear on the MRR but were not posted to the OPTAR log (e.g., discounts on payments or funds disbursed for DD 1348's). These are identified by comparing the obligation or disbursement entries on the MRR for each document number with the same entries on the OPTAR log.
-----------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

If MRR is more than your OPTAR this is a +, if less this is a -.

OPTAR Error	enter any errors made in postings on the OPTAR log that were not identified until after EOM closing.
-------------	------------------------------------------------------------------------------------------------------

Adjusted OPTAR Total	enter the total of Columns 3, 4, & 5
-------------------------	--------------------------------------

MRR Total	enter totals for each job order number of each SAG and SUBSAG as reflected in the MRR.
-----------	----------------------------------------------------------------------------------------

Variance	enter the difference between Columns 6 and 7.
----------	-----------------------------------------------

RECONCILIATION REPORT

FROM: OPTAR Holder

BA 3 FY XX

TO: OPERATING BUDGET HOLDER

SEGMENT XXXX

MONTH ENDING XXX XX

PART I-OPTAR/MRR COMPARISON

(1) SAG & SUBSAG	(2) JOB ORDER	(3) END OF MONTH OPTAR TOTAL	(4) MRR ADJ NOT POSTED	(5) OPTAR ERROR	(6) ADJUSTED OPTAR TOTAL	(7) MRR TOTAL	(8) VARIANCE (COL. 6-7)
67FR	13A02T	5.00	-	-	5.00	5.00	0
	13A03W	-	-	-	-	-	-
	13A04P	350.00	-	-	350.00	350.00	0
	13A05m	200.00	(13.00)	-	187.00	187.00	0
	13A06Y	50.00	-	-	50.00	0	50.00
Subtotal		605.00					
37FF	13A13T	XX.XX					
	13A14E	XX.XX.					
	13A15P	XX.XX					
	13A16Y	XX.XX					
Subtotal		XX.XX					
25FA	13A34P	XX.XX					
	13A35m	XX.XX					
	13A36V	XX.XX					
Subtotal		XX.XX					

COMNAVRESFOR RRRR/R

RECONCILIATION REPORT

PART II - EXPLANATION OF VARIANCE

The only entries on this part of the Reconciliation Report are those for which a variance was identified in PART I. Part II will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
SAG/SUBSAG	enter the SAG and SUBSAG for items with identified variances.
Job order	enter the job order number(s) with identified variances of each SAG and SUBSAG.
NOTE: After identifying the documents with a variance enter a subtotal line for each job order number and each SAG and SUBSAG. To identify the document with a variance compare the obligation or disbursement amounts recorded on the OPTAR log (insure all adjustments are included) with the obligation or disbursement amounts recorded on the MRR. If the totals are not identical, a variance exists in the document.	
Document Number	enter the last eight digits of the document number(s) to which the variance applies. (This may be a combination of errors on more than one document for each job order. If this is the case, enter each document number on a separate line).
TMTL # and Date	enter the transmittal number and date on which the document was submitted for original action (this number can be easily located on the Document Control log).
Remarks	enter action which needs to be taken by the operating budget holder to correct the variance. (e.g. increase or decrease an obligation). enter DAR transmittal # if action will be required by FIPC to correct the variance. (e.g., a disbursement posted to incorrect job order number in another budget activity).

enter NAR (No Action Required) if variance is small and OPTAR will absorb the difference. (e.g., price change on disbursement of funds for an item requisitioned on a DD 1348). Ensure this adjustment is posted on the OPTAR log to accurately reflect this action.

OBLIG NOT
ON MRR
(+)

enter the amount of the obligation which should be entered on the MRR.

ADJ NOT
ON MRR
.

enter the amount the obligation on the MRR needs to be increased (+) or the amount it needs to be decreased (-) or cancelled (-).

VAR TOTAL

enter the variance total by job order number of SAG and SUBSAG which appears in PART I column 8.

NOTE: Variance totals by job order number and SAG and SUBSAG should agree with PART I.

RECONCILIATION REPORT

PART II-EXPLANATION OF VARIANCE

[illegible]

COMNAVRESFOR RRRR/R

RECONCILIATION REPORT

APPENDIX J

CERTIFICATION OF INVOICES

A. GENERAL INFORMATION

Certified invoices are to be submitted to RESFIPC within 48 hours of receipt at the OPTAR holder activity/department in accordance with the following guidelines:

1. INVOICE PACKAGE ONLY - MAIL TO:

Naval Reserve FIPC
Code D2
4400 Dauphine Street
New Orleans, Louisiana 70149

2. INVOICE PACKAGE WITH BASIC PIIN DATA TRANSMITTAL -
MAIL TO:

Naval Reserve FIPC
Code D1
4400 Dauphine Street
New Orleans, Louisiana 70149

B. PROMPT PAYMENT ACT (PPA) CERTIFICATION

The PPA Certification must be attached to the invoice and the original procurement document (DD 1155) when forwarded for payment. If the invoice is for partial payment a copy of the DD 1155 will suffice. The DD 1155 (whether original or copy) must be signed in block 26 and the invoice must be stamped "Received, Inspected, and Accepted", signed, and dated. The PPA Certification will be prepared as follows:

<u>Header</u>	<u>Explanation</u>
Date Invoice Received	enter the date the invoice was received.
Certifying Activity UIC	enter your OPTAR/Cost Center UIC.
Document Number	enter as shown on the obligating document.

Contract/Purchase Order No.	enter PIIN as shown on the obligating document.
Date Material/Services Received	enter the actual date the material/services was received at your OPTAR/Cost Center.
Partial / Final Pay	circle appropriate one.
Approved for Payment	enter \$ amount approved for payment.
Accepted & Conforms to Contract	enter "X".
Accepted as Noted. Prices are Agreed Upon and Fair and Reasonable	enter "X".
Certifying Officers Signature	type in CO/Dept Head name and title. Acquire signature of CO/Dept Head.
Date Accepted	enter date signed by CO/Dept Head.
Contact Phone Number	enter phone extension of OPTAR recordkeeper.
Accounting Data	enter Accounting Classification Data as shown on the obligating document.
Date Forwarded to RESFIPC	enter date forwarded to RESFIPC.
Interest Fund Purchase erroneously not sent COD	enter "X" if appropriate.
No Purchase Required	enter "X" if appropriate.
Special Payment Terms (meat, perishables)	enter "X" if appropriate.
Interest Due Date	enter the date which is 30 days after the date of receipt of invoice or date of actual receipt of item, which ever is later.

DATE INVOICE RECEIVED _____

CERTIFYING ACTIVITY UIC _____

DOCUMENT NUMBER _____

CONTRACT/PURCHASE ORDER NO. _____

DATE MATERIAL/SERVICES RECEIVED _____

PARTIAL/FINAL PAYMENT (CIRCLE ONE)

APPROVED FOR PAYMENT\$ _____

/_____/ACCEPTED & CONFORMS TO CONTRACT:

/_____/EXCEPT AS NOTED PRICES ARE AGREED UPON,
FAIR AND REASONABLE.

CERTIFYING SIGNATURE: _____

DATE ACCEPTED: _____

PHONE: _____

ACCOUNTING DATA

APPR/SUBHEAD OBJCL BUCON SA AA TT

PAA COST CODE DATE FORWARDED
TO FIPC:

/_____/IMPREST FUNDS PURCHASE ERRONEOUSLY NOT SENT
COD

/_____/NO PURCHASE ORDER REQUIRED

/_____/SPECIAL PAYMENT TERMS (MEAT, PERISHIBLE,
AGRICULTURAL COMMODITIES, OTHER)

INTEREST DUE DATE _____

PROMPT PAYMENT ACT CERTIFICATION

Utilities and Telephone tolls will continue to be certified on the Utility Invoice Certification (NAVCOMPT Form 2061).

When invoices are received by OPTAR holders which are for items procured with funds which are centrally managed by the operating budget holder, the invoice package is prepared in accordance with the PPA Certification instructions and forwarded to the operating budget holder vice RESFIPC.

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